

PEOPLE
Smith
NBA FINALS
PISTONS LEAD
See Sports, Page 17

Herald INTERNATIONAL Tribune

Published With The New York Times and The Washington Post

32,756

24/88

PARIS, SATURDAY-SUNDAY, JUNE 18-19, 1988

ESTABLISHED 1887

Secret Soviet Party Document Admits Error in Afghanistan

By Bill Keller
New York Times Service
MOSCOW — The leadership of the Soviet Communist Party has issued a secret circular admitting a series of errors and misjudgments in the Soviet military move in Afghanistan, according to a document, which was read to party members, strongly but does not state explicitly the original decision to send troops was wrong, according to people who discussed it. Though some Soviet journalists contended that the 1979 decision to introduce troops was a mistake, Soviet officials have continued to defend the move in public. The document reportedly sides with critics who say the Soviet lead-

ership erred fundamentally in believing that a tribal, Islamic country like Afghanistan was ready to make the transition to socialism. Some who have been present at readings of the document said they were disappointed with its cautious tone and contents, including the failure to blame Soviet decision makers by name. But others said the shift in the party line was important as a signal to Soviet journalists and political analysts to begin a deeper and more critical examination of the war. In a commentary Wednesday in the government newspaper Izvestia, Alexander Bovin, a prominent political writer, stated bluntly that the introduction of troops into Afghanistan reflected an excessive

tendency to use military force in Soviet foreign policy. Mr. Bovin also criticized the Soviet decision to deploy SS-20 missiles in Europe — missiles that are soon to be destroyed under an arms agreement with the United States. "The deployment of SS-20 missiles and the introduction of troops into Afghanistan were, in my opinion, typical examples of subjective decisions oriented at the use of military force in foreign policy," he wrote. "In both cases we clearly overestimated our possibilities and underestimated what could be called the resistance of the environment." Fyodor Buzitsky, a well-connected writer for Literaturnaya Gazeta, made similar comments about Afghanistan on Monday in a televised round-table discussion on current affairs.

Azerbaijani Lawmakers Refuse to Yield Enclave

The Associated Press
MOSCOW — The parliament of Azerbaijan refused on Friday to give up a region of the southern Caucasus that Armenians have been occupying for months, leaving the area in a legal limbo. Soviet Foreign Ministry spokesman, Gennadi I. Gerasimov, said the decision that the Soviet government would make over the Nagorno-Karabakh Autonomous Region, populated by Armenians, had the form of a "collision" between two articles of the Soviet constitution. The Supreme Soviet of Azerbaijan, in a broadcast on the republic's radio and television stations, announced a recommendation of its own, or executive committee, to the Tass press agency. The decision was expected, because the parliament rarely goes to its own decisions.



announced. "Our history shows it's ours," said the resident, who identified himself only as a worker. Armenians consider the region part of their ancestral homeland. A journalist for the Azerbaijan press agency, Azerinform, said the Supreme Soviet determined that giving up Nagorno-Karabakh would be "contrary to the interests of the people." The Supreme Soviet of neighbor-

See SOVIET, Page 2



Yugoslav workers, cordoned off by policemen, carrying a Tito photo Friday at a protest outside parliament.

10,000 Yugoslavs Protest

Workers Shout At Parliament 'We Want Bread!'

Belgrade — More than 10,000 Yugoslavs demonstrated Friday outside parliament, shouting "We want bread!" and calling on the government to resign. It was thought to be the biggest protest ever by workers in Yugoslavia and was sparked by pay cuts and other austerity measures ordered last month by Prime Minister Branko Mikulic. About 5,000 striking workers from the Zmaj tractor factory marched through the streets waving red banners and flags and pictures of Tito, the Yugoslav leader who died in 1980. At least 5,000 people returning home from work joined the crowd. The police estimated that there were 10,000 demonstrators. The crowd cheered and clapped as workers made emotional and militant speeches accusing the government of corruption and incompetence. [The rally ended after four hours, when the strikers accepted offers from police officials of buses to take them back. The Associated Press reported from Belgrade. About 1,000 onlookers, however, refused at first to disperse, and continued chanting. At least one person was arrested when the crowd unsuccessfully tried to break the police line. At about 6 P.M., the crowd dispersed peacefully.] The strike and protest were organized by the factory's official trade union, which is part of the Confederation of Trade Unions of Yugoslavia. It had been registered in advance with police authorities. Deputy Prime Minister Janez Zemljic and the president of parliament, Dusan Popovski, addressed the protesters on the steps of the parliament building. "I promise you your grievances will be taken into consideration," Mr. Zemljic said. But he was jeered and shouted down. "We want no more phrases!" workers shouted. "You have betrayed Tito! You are thieves! Return the villas you have built. Return the money you have stolen from the people. We want change!" Across the street, thousands of people clapped and cheered. Police

See PROTEST, Page 2

Arab Dies in Clash as Israelis Raze Home

Compiled by Our Staff From Dispatches
BEIT FURIK, West Bank — Israeli troops shot a Palestinian to death and wounded 21 others on Friday during a clash in a West Bank village after the soldiers destroyed a resident's house, the army and hospital sources said. Two Israeli officers were slightly hurt by stones during the incident in Beit Furik village near Nablus, the army said. Residents said about 50 other Palestinians were injured by tear gas and rubber bullets and 10 soldiers were hurt in stone and gasoline bomb attacks. Defense Minister Yitzhak Rabin said the destruction of houses and orders allowing soldiers and civilians to open fire on Molotov cocktail throwers was part of the army's campaign against violence in the territories.

The Israeli government intends to "deal very severely with the use of petrol bombs against Israeli vehicles or Arab vehicles traveling on the roads," Mr. Rabin said on Israel Radio. Soldiers entered the village before dawn to destroy the home of Ahmed Abu Said Hanani, implicated in the murders of Israeli civilians and former Nablus mayor Zafer al-Masri in 1986, an army spokesman said. "The force found the village closed by roadblocks and it was attacked by rioters throwing bottles, cinder blocks and stones," the spokesman said. Troops opening fire injured at least 18 residents, six seriously, Dr. Hamid Masri at Nablus al-Itihad hospital said. A 23-year-old woman was shot in the neck. Three others

were treated for wounds from beatings and rubber bullets. Tayseer Hussein Imlaitat, 25, shot in the heart, was the latest fatality in a six-month Palestinian uprising in the occupied West Bank and Gaza Strip. The uprising has claimed at least 218 Arab and three Jewish lives. Troops demolished Mr. Hanani's house and clamped a curfew on Beit Furik. Twelve other homes in the West Bank were demolished or sealed off during the night in response to gasoline bomb attacks, the army said. "It serves as a deterrent and it comes after many steps were taken which did not help," the army spokesman said. "We see this as a more radical and hopefully last step." Nablus was clamped under cur-

few because of demonstrations there the previous day, the army said. Witnesses in the northern city said soldiers arrested six women and were checking ambulances leaving Al-Itihad hospital. Most of the houses that were destroyed belonged to Arabs suspected of hurling firebombs or planning attacks against Israelis, but two belonged to reported members of a gang suspected of killing Mr. al-Masri, a spokesman said. Mr. Rabin said the army's actions were now aimed at preventing a return to the widespread, violent protests that characterized the early stages of the Arab revolt. Lately, the uprising has consisted mostly of commercial strikes, fires blamed on Palestinian arsonists and clashes between soldiers and stone-throwing youths. (AP, Reuters)

Huge Japanese Loan to Indonesia Reveals Easier Terms, but No Grants

By Michael Richardson
International Herald Tribune
SINGAPORE — Japan has unveiled a significant easing of terms on its economic aid to developing countries in making a huge new loan to Indonesia, but has failed to fulfill Asian and Western requests that much more of its aid be in a nonrepayable form. Details of the loan package, denominated in yen with a value of \$2.3 billion for the fiscal year that ends March 31, were given by officials of the Japanese Embassy in Jakarta, who were contacted by phone on Thursday. Japan had announced Tuesday that it would double, to more than \$50 billion, its "official development assistance" to the Third World over the five years ending in 1992, while improving terms of its loans and providing more of the aid in outright grants.

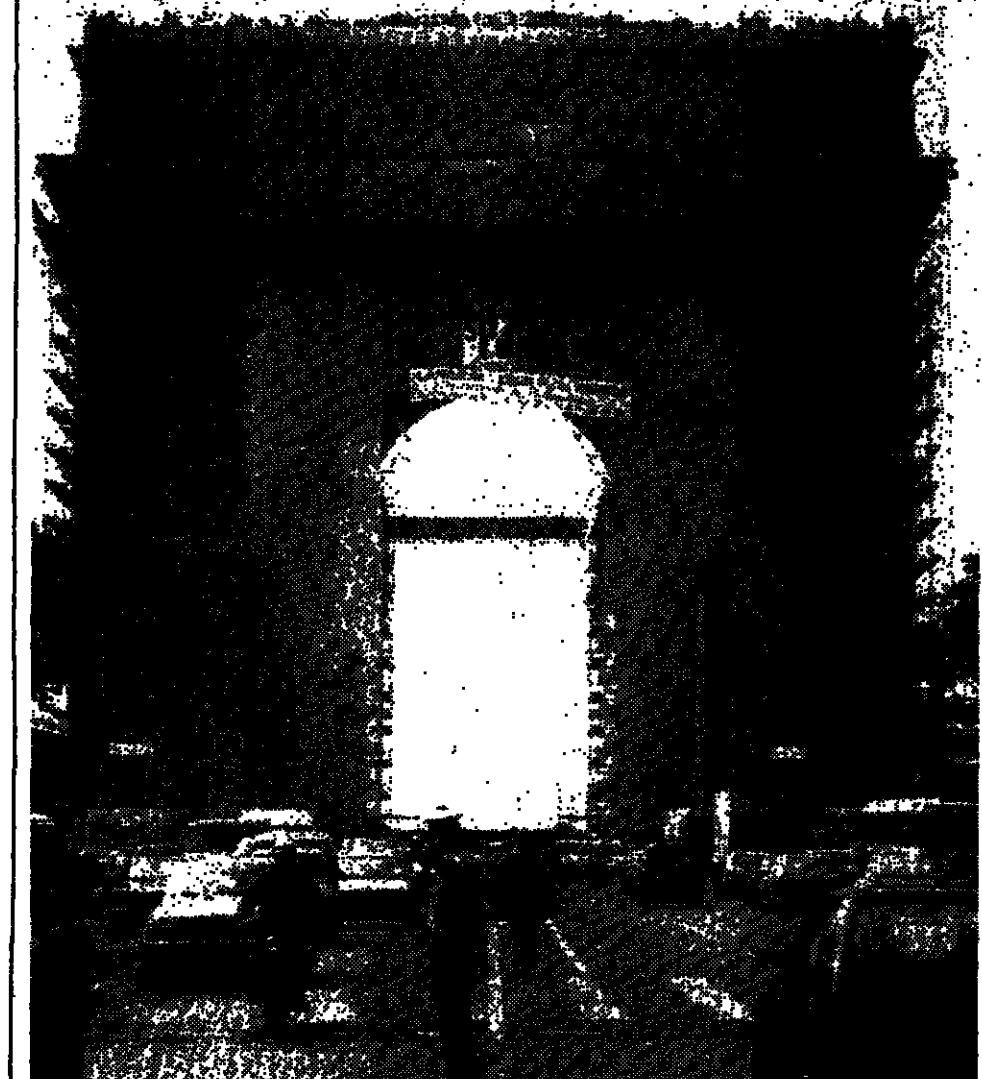
But few details of the assistance were given. The Japanese officials at the embassy in Jakarta said that the new loan package would be almost double the size of the 1987-1988 package. In addition, more than 85 percent of the new credit would be "quick-disbursing," making it much easier for Indonesian authorities to spend. The interest rate on the bulk of the loan would be cut 0.3 percentage point to 2.7 percent a year. The officials added that the money would be "generally untied." This means that it could be spent on goods and services in Indonesia or in any other non-Communist country, rather than being tied to purchase from Japan as it often has been in the past. Indonesian officials welcomed the liberalization, but said they hoped Japan would take further

steps to reduce the heavy foreign debt burden of Indonesia and other developing nations. Western diplomats said that although the scale of the Japanese package to Indonesia was impressive, it failed to match assistance from a number of Western nations that provided all, or a substantial portion, of their aid to Indonesia in the form of nonrepayable grants. U.S. officials, who have been urging Tokyo to channel more aid to countries of strategic importance to the Western alliance, said that in recent years about 70 percent of Japanese official development assistance had gone to Latin America, Africa and the Middle East. Analysts said that the size of the loan to Indonesia was a clear signal that Japan would continue to direct the bulk of its aid to Asia in support of countries where it has extensive commercial and strategic interests. While no details of Japan's expanded official development assistance program have been released, Prime Minister Noboru Takeshita is to describe the plan at the summit meeting of the seven major industrial powers opening in Toronto on Sunday. He has pledged Japan to a more active role in world affairs. Japanese Embassy officials in Jakarta said the official development assistance part of the new aid package to Indonesia was valued at the equivalent of \$1.7 billion. The remainder of the \$2.3 billion See LOAN, Page 2

Toronto Talks Theme: Don't Rock the Boat

By Reginald Dale
International Herald Tribune
TORONTO — Government leaders at the economic summit meeting that starts here Sunday hope to avoid arguments about such divisive issues as trade and agriculture and focus instead on their role in the world economy's recent strong performance. With the international economy performing better than anyone expected only a few months ago, "nobody has anything to gain by upsetting the apple cart," said a senior official involved in preparing for the talks. The three-day meeting is to be attended by the leaders of the United States, Japan, West Germany, France, Italy, Britain and Canada. The Canadians say they are particularly anxious not to repeat the experience of the summit in Venice last year, when the seven leaders inadvertently gave the impression that they were more interested in the complexities of the Gulf War than the trouble brewing in the world economy. Hoping to reassure financial markets that the leaders are serious about their commitment to continued coordination of their economic and monetary policies, the Canadians want to give greater prominence to the summit's economic content and less to the leaders' political discussions, officials say. The leaders will also seek to avoid or postpone arguments on the more divisive economic issues,

such as trade and agriculture, which are likely agenda items. With the United States, and possibly Canada, facing elections this autumn, the participants will want "to keep looking on the good side, and not look too far ahead for fear of seeing problems on the horizon," a European financial official said. With that aim in view, the seven summit countries are expected to lay heavy stress on the success of their efforts at coordinating policy to keep the world economy on an even keel after the stock market collapse in October and subsequent fears of an international recession. That should not be too difficult, officials said, because "there has been lots of positive news recently," particularly in the form of steady world economic growth and improving U.S. trade figures. The remarkable resilience of the world economy to the October stock market crash is attributable in large measure to the quick and effective cooperative response by governments," said Sylvia Osty, the senior Canadian official involved in summit preparations. "That action was in turn made possible by the intensified process of consultation and policy coordination developed by the summit countries in recent years," she said. To maintain market confidence, the Toronto meeting must reaffirm the leaders' commitment to credible economic goals, she said. That is expected to involve little more See SUMMIT, Page 15



TRICOLOR ARCH — A red, white and blue covering was installed Friday on the Arc de Triomphe in Paris to mask scaffolding used to restore the monument, which is 152 years old.

Why Law in Kenya Is a Big Man's Game

By Blaine Harden
Washington Post Service
NAIROBI — This is a case of a little man who went to jail for telling a big man to take a hike. The case exemplifies a common clash in much of Africa between the rule of law, as written in books, and the rule of pure power, as wielded by big men. It started at 7:30 A.M. a week ago on a roadside in the highlands of western Kenya. A provincial commissioner, Mohammed Yusuf Haji, had car trouble. He flagged down Peter Makani, an electrician who was driving to work in a company pickup truck. When the big man asked for a ride, the little man, according to a police affidavit, said: "Go and find a government of Kenya vehicle. My car is not a government vehicle." He then drove off to a nearby job site, leaving the provincial commissioner, or PC, to fend for himself. Mr. Haji, the most important government official in that part of Kenya, a presidential appointee with powers similar to that of a state

governor in the United States, made his way to a police station. Within hours, the electrician was found and arrested. The next day he was sentenced to three months in jail. "The accused behaved in a very unsocial manner," said the sentencing magistrate, who was recently appointed to her job on a recommendation from Mr. Haji. "Government officials deserve respect. The accused lacked respect," she added that "a deterrent sentence should be meted out as a lesson to those with such unbecoming behavior." No mention was made in court that there is no law in Kenya requiring people in cars to give rides to pedestrians who claim to be important. Nor did the court learn that the company for which Mr. Makani works forbids its employees to give rides to hitchhikers. When the "PC lift case" hit the local newspapers, a delegation from the Law Society of Kenya went to the country's attorney general to complain. "We told him that if the facts of the case are as presented in the press — that a man was convicted for refusing to give the PC a lift —

then the attorney general should come out publicly and say no offense was committed," said Joe Okwach, president of the Law Society, the Kenyan equivalent of the American Bar Association. "We told the attorney general he should say it was an improper conviction and put people's minds to rest," Mr. Okwach said. The reasoning of the Law Society did not sit well with President Daniel arap Moi, who controls virtually all police and political power in Kenya. Mr. Moi warned the lawyers Tuesday that they should desist from making statements that could confuse the *wananchi*, a Swahili expression for the man in the street. "If I were the attorney general, I would have had them arrested and charged with contempt of court," the president said of the lawyers. According to the government-owned Kenya Times, Mr. Moi also said that "certain lawyers in the country are agents of enemies of the country, such as Amnesty International." Last year, the London-based human rights See KENYA, Page 2

Hungary Gets Tough On Dissent

By Henry Kamm
New York Times Service
BUDAPEST — The Hungarian government has taken a firm approach in one of its initial confrontations with dissent under the new Communist Party general secretary, Karoly Grosz. On Thursday, on the anniversary of the hanging of Imre Nagy, the 1956 revolutionary leader, protesters clashed repeatedly with the police in the center of Budapest. At least seven dissidents were arrested, most after having been severely beaten by police officers wielding rubber riot sticks. The protesters were commemorating the 30th anniversary of the death of Mr. Nagy, prime minister of the revolutionary government that was crushed by the Soviet military intervention. [A dissident put the number of people detained on Thursday at 20. Reuters reported from Vienna. The only official report on Friday of the events came in a brief dispatch carried by the MTI news agency, which said that five ring-leaders were detained for "trying to bring under their influence the crowd, whom they had mobilized." [The report accused the crowd of disregarding a "preliminary warning by the police" against attending the gatherings marking the 30th anniversary of the executions.] About 500 followers of a loose coalition called itself the "democratic opposition" gathered in a square near the Danube. The site was chosen because an eternal flame marks the spot where an Austrian firing squad executed Count Lajos Bathory, an earlier revolutionary, in 1848. The demonstrators moved toward the center of the square, where Janos Kis, a philosopher, and Imre Mees, a student protester who had been sentenced to death but was later released, intended to commemorate Mr. Nagy. But police squads intervened, and access to the monument that bears the flame was blocked to all but a few, who were allowed to place flowers. The police drove the protesters back and arrested two, Gaspar Miklos Tamas, a philosopher, and See HUNGARY, Page 2

THE INTERNET
REAL ESTATE
MARKETPLACE
Kiosk
Political Officer
Out in Brazil
United Press International
RASILLA — President Sarney on Friday dismissed the head of the armed forces chief of staff, Air Brigadier General Paulo Coutinho Camarao, for criticizing the government's economic policy, officials said. It was the first time that the civilian president in power since 1965, has dismissed a minister from the powerful military establishment. A successor was not immediately named. In general, one of six ministers with ministerial rank was government, on Thursday strongly criticized and introduced salary cuts for the president Sarney in April, ending a two-month pay raise for military staff.

Bribery Investigation Called 'Most Serious' In Pentagon's History

WASHINGTON — The dimensions of the Pentagon procurement bribery case are "beyond the wildest imagination," Senator Charles E. Grassley said Friday...

Seoul Judge Quits Amid Reform Calls

By Peter Maass — The chief justice of South Korea's Supreme Court resigned Friday after a petition by junior judges calling for a complete renunciation of the nation's politically-influenced judiciary...



COURT MARTIAL UNDER WAY — The military trial began Friday at a camp near Manila of 63 soldiers accused of participating in a coup attempt in August 1987 against President Corazon C. Aquino. One defendant was accompanied by his son.

U.K. Expels Aides of Israel and PLO

By Karen DeYoung — Britain ordered the expulsion of an Israeli diplomat on Friday for participating in a spy operation against the Palestine Liberation Organization that was mounted here without British knowledge by Mossad, the Israeli intelligence service...

U.S. Airport Radar Areas Expanded

By Richard Witkin — The government, seeking to reduce the danger of midair collisions, has greatly expanded the areas where planes must be equipped with devices that show their altitude on radar...

ERRORS: Afghan Role Assailed

(Continued from page 1) — backed regime in Kabul may be defeated by Moslem insurgents. On May 15, Moscow began withdrawing the first of an estimated 115,000 Soviet troops in Afghanistan under an agreement worked out in Geneva...

PROTEST: Workers March

(Continued from page 1) — separated the main protest group from the local crowd. The Zrnaj factory, across the Sava River, employs 10,000 people. The company was forced to cut wages by 30 percent this month under a new wage control law...

SOVIET: 'No' on Enclave

(Continued from page 1) — ing Armenia voted Wednesday to call for annexation of Nagorno-Karabakh, siding with Armenian demonstrators who since February have been holding sporadic street rallies, marches and strikes...

LOAN: Japan Funds for Indonesia Show Easier Terms

(Continued from page 1) — was made up of untied loans from Japan's Export-Import Bank, a government agency, they added. The official development assistance segment amounts to more than 15 percent of the \$10.8 billion earmarked for official overseas aid in the Japanese budget for 1988...

HUNGARY: Tough Reaction

(Continued from page 1) — Victor Orbán, a young dissident. Mr. Kis, a translator of the works of Immanuel Kant, was among those clubbed. The demonstrators, facing the policemen who ringed the monument, taunted them with rhythmic clapping and shouts of "Democracy!" "Freedom!" and "Down with the police state!"...

WORLD BRIEFS

Demonstrators Block Basque Roads

SAN SEBASTIAN, Spain (Reuters) — Demonstrators protesting against the death in prison of a separatist guerrilla blocked roads and rail lines in several Basque towns on Friday and set fire to train carriages and a bus, police said...

Vietnam-Thai Accord on Cambodia

BANGKOK (UPI) — The foreign ministers of Vietnam and Thailand said Friday that they had agreed on many issues involved in a solution to the Cambodian conflict, opening the way for peace talks next month...

Nigeria Gets Help to Inspect Waste

Lagos (Reuters) — The United States and Britain said on Friday that they were sending scientists to inspect radioactive waste dumped in Nigeria, where the military government has seized a second foreign ship in protest...

Cosmonauts Land After Mir Mission

MOSCOW (Reuters) — A three-man Soviet-Bulgarian cosmonaut crew touched down in Kazakhstan on Friday, 10 days after they were launched to the orbiting Mir space station on a research mission...

For the Record

Israel and Egypt have agreed to hold talks on a compromise to settle the Taba beach border dispute, after Egypt dropped a condition that Israel recognize its sovereignty, government sources in Jerusalem said on Friday...

TRAVEL UPDATE

ATHENS (AP) — Greek air traffic controllers said Friday that the would stage a series of four-hour work stoppages starting Tuesday if back demands for better pay and work conditions...

KENYA: Law a Big Man's Gam

(Continued from page 1) — organization issued a report charging that Kenyan police had tortured political detainees to obtain confessions. At the time, a number of local lawyers were accused by the government of feeding information to Amnesty International...

sales at Charvet STARTING JUNE 20 THE CHURCH SERVICES

PARIS and SUBURBS THE AMERICAN CATHEDRAL (Episcopal) Anglican, Mon-Fri, 12 noon Holy Eucharist Sun 9 & 11 a.m. Holy Eucharist, 23 Ave George V, Paris 8. Tel. 47 20 17 92

Dining Out GENEVA LA COUPOLE Restaurant, Place du Vieux Bureau 15 rue Pierre Palleo - Tel: 022/20 65 44

U.S. Wants to Resume Full UN Funding

By Paul Lewis
New York Times Service
WASHINGTON—Responding to pressure from allies and the United Nations secretary-general, the Reagan administration wants to resume paying the full U.S. share of the UN budget, according to a U.S. official.

paying our full dues is harmful to the reform efforts we support." Mr. Williamson indicated that the administration wanted to pump more money into the UN but sought to deflect conservative criticism by showing that the organization is becoming more efficient and less dominated by its Third World majority.

Unless the organization receives some of these arrears, the secretary-general said, it will become "insolvent" by late October or early November and will be forced "to cease operations."

Finally, it must state that the Soviet Union is reducing the number of Soviet citizens serving at the UN on short-term contracts and allowing more to become full-time international civil servants, whose loyalty is to the UN and not to Moscow.

For Dukakis, A Claim of Victory Over Budget Woes

By T.R. Reid
Washington Post Service
BOSTON—Seizing a chance to polish his credentials as a budget-balancer, Governor Michael S. Dukakis has declared victory in his two-month battle to overcome a \$400 million shortage in his state's current budget.

Early Warnings on Smoking U.S. Cigarette Companies Worried Already in 1946

By Gina Kolata
New York Times Service
NEW YORK—As early as 1946, 20 years before warning labels went on cigarette packages, tobacco companies were worried that cigarettes could cause cancer.

strengthening, although cigarette companies noted division among scientists about whether the case was conclusive. As recently as 1961, The New England Journal of Medicine declined to say in an editorial that the studies proved that cigarettes cause cancer.

caused cancer, and four years before warnings were required. Hand-wringing in the tobacco companies began in earnest in the 1950s, while the scientific community was also trying to confront a growing evidence linking cigarette smoking to cancer and heart disease. It was a time when nearly half of all adults and a majority of American men smoked.

Mr. Pérez de Cuéllar said the United Nations now was owed \$690.9 million in back contributions to its regular budget, with the United States alone \$466.9 million in arrears. Most of these arrears have built up because the United States refused to pay its full assessed budget contribution as a protest against what it perceives as the UN's anti-Western bias and its wasteful, inefficient ways.

Mr. Williamson said the United Nations had now made satisfactory progress toward its goal of a 15 percent cut in staff levels. He also said the administration was "encouraged" by Moscow's recent announcement that it will allow more of the staff members it assigns to the UN to become career international civil servants.

But in 1987 and 1988, Congress refused to back payment of the full U.S. dues for various reasons, including dissatisfaction with UN performance and the federal deficit.

Mr. Williamson said the United Nations had now made satisfactory progress toward its goal of a 15 percent cut in staff levels. He also said the administration was "encouraged" by Moscow's recent announcement that it will allow more of the staff members it assigns to the UN to become career international civil servants.

By 1977, Liggett & Myers had patented a cigarette with fewer irritants, but then decided not to market it.

state in their confidential documents that smoking caused cancer in humans. Although the documents said that cigarettes contained cancer-causing substances, they always made the distinction that these substances caused cancer in animals, not people.

Shortly later, studies indicating smoking as causing cancer began to appear. In May 1950 the Journal of the American Medical Association published a paper by Dr. Ernst L. Wynder and Dr. Ewart Graham showing that lung cancer occurred almost exclusively in smokers.



UCHEI—Annamarie Hein, 10, of Albany, Oregon, receiving a globulin injection at the Linn County fairgrounds. The county held hepatitis clinic after two people came down with the disease after eating at a restaurant. More than 1,000 people received the shot.

AMERICAN TOPICS

Helping the Victims of Violent Crimes

The Victim Services Agency founded 10 years ago in New York City to help victims of violent crime there, a kind of aid almost unheard of. Today movement to shift rehabilitation from criminals to their victims is growing across the United States. The New York Times reports more than 5,000 agencies are providing therapy and financial help to victims, according to the National Organization for Victim Assistance in Washington.

guilt and even physical ailments. Willie Ann Lee was 64 when her black son was beaten to death by about 20 white youths in Brooklyn. Now 70, she still mooms. He was badly bloodied on the mouth. Since his death, her counselor says, her own lips still fester and bleed.

about lyrics than anybody in my life. He said, "Every word is important, it must be heard." One time we rehearsed all day and all evening till 2 in the morning. He called me at 3 A.M. and said to me, "I did not hear the word 'man'."

Short Takes

New York City's 85-year-old Williamsburg Bridge will be repaired over five years for an estimated \$350 million, rather than being replaced, which would take 12 years and cost 2½ times as much, Mayor Edward I. Koch said.

Table with columns for flight routes and prices. Includes sections for 'ACCESS VOYAGES' and 'LOW COST FLIGHTS'.

INTERNATIONAL CLASSIFIED

Advertisement for 'INTERNATIONAL CLASSIFIED' featuring various services: LEGAL SERVICES, HOLIDAYS & TRAVEL, HOTELS, EDUCATION, COLLEGES & UNIVERSITIES, BOOKS, and PEN PALS.

Advertisement for 'INTERNATIONAL ESCORT SERVICE' with contact information for various agencies in London, Zurich, and Geneva.

Advertisement for 'ESCORTS & GUIDES' listing services in Zurich, London, and Geneva.

Advertisement for 'ESCORTS & GUIDES' listing services in Zurich, London, and Geneva.

Advertisement for 'ESCORTS & GUIDES' listing services in Zurich, London, and Geneva.

Senate Backs Overhaul of U.S. Welfare

WASHINGTON—The Senate has approved a restructuring of the nation's welfare program, stressing job training and basic education to help mothers on welfare get jobs. The vote was 93 to 3.

Advertisement for Cartier jewelry, featuring a necklace and earrings. Text includes 'Cartier Jewellery is sold exclusively in the Cartier Jewellery stores' and 'PARIS - LONDON - NEW YORK'.

Senators Praise Jackson
The Reverend Jesse L. Jackson was warmly endorsed Thursday by Democratic and Republican senators as a "leader in the war on drugs."

Advertisement for Baccarat crystal gifts and tableware, featuring a chandelier and contact information for the company.

Advertisement for Phillips Impressionists at Phillips, featuring a painting by Camille Pissarro and contact information for the gallery.

Herald Tribune

Published With The New York Times and The Washington Post

France's Fifth Surprise

France voted four times in the last seven weeks and each round packed a surprise. Party and individual fortunes zoomed and plummeted, extremism surged and faded...

Dukakis on the World

Governor Michael Dukakis is still in that stage of his campaign for president where he is not so much summoning the people to a clear, completed vision of America and the world as he is exploring and shaping his own rounded view...

Budgeting by Bean-Count

The U.S. budget battle has been miniaturized. The broad issues that separated the president and Congress in the past — the proper balance of spending between domestic programs and defense, and of financing between taxes and the deficit — were settled this time in advance...

Other Comment

A Caution for Dukakis: One part of Michael Dukakis's statement to the Atlantic Council should have furrowed West European brows. "The American people expect, and they have a right to expect, our allies in Europe to bear a fair share of both the economic and the military burdens of defending freedom..."

INTERNATIONAL HERALD TRIBUNE

JOHN HAY WHITNEY, Chairman 1958-1982
KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER
LEE W. HUEBNER, Publisher
JOHN VINCIGUOR, Executive Editor • WALTER WELLS, News Editor • SAMUEL ADT, KATHERINE KNORR and CHARLES MITCHELMOORE, Deputy Editors • CARL GEWIRTZ, Associate Editor • ROBERT J. DONAHUE, Editor of the Editorial Pages • JAMES R. CRATE, Business/Financial Editor • RENÉ BONDY, Deputy Publisher • ALAIN LECOUR and RICHARD H. MORGAN, Associate Publishers • FRANÇOIS DESMAISONS, Circulation Director • ROLF D. KRANPEHL, Advertising Sales Director • KOURDT HOWELL, Director, Information Systems

Toward a New Internationalism for the '90s

By Richard R. Burt

The writer is U.S. ambassador to West Germany.

BONN — It has been said that history is politics looking backward. Thus, when many Americans are thinking about the U.S. role in the world, it has become fashionable to look ahead at the fate of former great powers and why they declined.

A current focal point is Paul Kennedy's book, "The Rise and Fall of Great Powers." He describes a process of "imperial overstretch" that afflicted some of history's empires, as foreign commitments and military responsibilities outgrew the economic capacity to sustain them.

The trend toward protectionism and isolationism — a 'new populism' — must be resisted.

Historians will decide whether this thesis is good history. The question now is whether it constitutes good politics. In a presidential election year, Mr. Kennedy's arguments are being exploited and to some extent perverted by a number of politicians and analysts.

Far East, the growing ferment within the Soviet bloc, the reform process in China and the progress of democracy in Latin American and Asia all serve U.S. interests. Indeed, America helped bring about those changes.

On the other hand, moving from bipolarity to greater international pluralism will be unpredictable and even dangerous. The United States will have more room to maneuver but less margin for error.

A more subtle form of leadership will be required, and it should focus on two objectives: The first is strengthening the Western consensus on defense. In an era of U.S.-Soviet negotiation, it is tempting for the West to engage in unilateral cutbacks.

The time is ripe to formulate a broad military and diplomatic strategy for the 1990s. Improved burden-sharing in the defense of Western Europe, East Asia and other regions must form the core of the strategy.

It is difficult to define precisely what these changes entail for the United States. On one hand, the political maturation of Western Europe, the economic success of allies in the

efforts. It would be a mistake, for example, to expect Japan to increase military spending. Tokyo should use its expanding resources to address problems such as Third World debt.

The second objective is accelerating the creation of an open world economy. In the trade area, there has been genuine progress, including the European Community's decision to achieve a common internal market by 1992.

There is danger that the decision to create a free market within Europe will be accompanied by new barriers to imports from outside it.

The United States really has no alternative. The 1990s will require more, not less, cooperation among allies and trading partners. In the U.S. presidential primaries, voters appear to have rejected the proponents of protectionism, disengagement and unilateralism.

The Los Angeles Times

The Reality In Israel Is Not Neutral

By Anthony Lewis

BOSTON — "A Marted B'Agavim Israel," the headline said. It was on a column last week by Jesse Kirkpatrick, the U.S. delegate to the United Nations.

Mr. Kirkpatrick said critics charged the New York Times with bias in reporting on the Palestinian uprising in the West Bank and Gaza. "Now, finally," she said, "the evidence" on the question of bias is in.

The "evidence" she cited came from The Center for Media and Public Affairs in Washington. In a series of Times and network stories on the uprising it found "negative bias" most of it "anti-Israeli."

The center's report did not explain how it rated something in a story as "anti-Israeli." I was curious about the scientific method, so I asked the co-director, S. Ross Lichter. He kindly sent me several samples of statements that his staff researchers had "coded as negative."

On a day when Israel deported its Palestinian, a television broadcast said that Irving Shapiro, former chairman of Du Pont Co., had spoken the event with "disdain," saying that deport Arab "away from their land to another land is abhorrent."

That comment was rated as "anti-Israeli." So was a single sentence quoted from one of the deported Palestinians: "I'm losing the life, my home, my family, my life, my home."

A Times report on the beating of Palestinians by Israeli soldiers quoted the Israeli newspaper Haaretz as follows: "A discussion with some of those assaulted showed the beatings were often done in a degrading way, deliberately, in order to set an example, and often the victims were quiet residents, adults and children, who were not suspected of any illegal activity." That, too, was coded as "anti-Israeli."

Another Times story that was cited as an example of "negative bias" quoted the Canadian secretary of state for external affairs, Joe Clark. He accused Israeli soldiers of "beatings to maim" young demonstrators and said such acts were "totally unacceptable and in many cases illegal under international law."

Those examples show that a study was a travesty of scientific method — and of common sense. The press is in the business of publishing news. When a person of Mr. Shapiro's stature says what he did, it is news. The American press will publish that, as will a reporter's or editor's until Spino Agnew's wish comes true and only good news may be reported.

Nor can it be "anti-Israeli" for U.S. publication to quote a respected Israeli newspaper, Haaretz, as it is quoting precisely because it is so authoritative in reporting events in Israel and the occupied territories.

If anything has hurt Israel in American eyes in these last months, it was not the reporting but the fact that the unchallenged facts, when laid out, showed that Israel was wrong. Reality was not neutral.

For decades the American press reported at length on Israel's achievements. No other country had coverage so remotely as favorable. But it attempted to exercise permanent censorship over territories inhabited by another people, who want their own nationhood, has forced Israel to use unpleasant methods, and reports of those methods inevitably will make pleasant reading.

In sending examples of statements in the press that his study found to be "anti-Israeli," Mr. Lichter said: "Please note that we do not ascribe truth value to these statements, only their directionality." Hmm.

To code stories as "anti-Israeli" as fallacious in another way. The American press has reported critical comments on Israeli actions in the West Bank and Gaza. But most of the criticism was not "anti-Israeli." It was criticism of Israeli government policy — a policy that many Israelis think harmful to their country. Mr. Lichter conceded the point when we spoke.

"We make no judgments about media fairness or accuracy," Mr. Lichter wrote. "Our goal is to provide a nonpartisan empirical basis for judgments of media coverage." Perhaps Mr. Lichter and his colleagues are really that pure of heart, but it is tendentious as they seem. So, the study, at least, provides nothing useful to any serious critic of the press, just some free-floating conclusions that Jesse Kirkpatrick and others of the right can use as chink.

The New York Times



A Double Threat to the Ozone Treaty

By Richard Elliot Benedick

WASHINGTON — Hardly have the Champagne toasts over last fall's Montreal protocol to protect the world's ozone layer lost their fizz, than the treaty, not yet in force, has come under a double threat.

Some environmentalists, alarmed by recent reports on the thinning of the ozone layer — which blocks the sun's dangerous ultraviolet rays — complain that the protocol is too little and too late. They want it to be renegotiated. Meanwhile, squabbling in Brussels over arcane points of European politics could delay ratification by the European Community, the world's largest producing bloc of ozone-depleting chemicals.

Following years of hard negotiations under the stewardship of the United Nations Environment Program, the Montreal protocol represents a global action taken before any actual damage to human health or the ozone layer has been recorded. It is a flexible instrument; it contains all that is needed to protect the ozone layer.

Its provisions for a reduction in the principal ozone-destroying chemicals, chlorofluorocarbons (CFCs) — to half their 1986 levels by 1999, coupled with a freeze on halons, are now criticized by some as too modest. But they were never seen by negotiators as the final word. The treaty proclaims the elimination of these substances as its "ultimate objective."

Even now, the Montreal protocol is doing just what its designers intended. By sending an unmistakable signal to CFC producers that their market is declining, the treaty at one stroke made research into potential substitutes economically worthwhile.

The announcement by Du Pont that it will phase out CFC production, together with reports from other countries, testifies to an intense and constructive ferment in the chemical industry. This contrasts vividly with the industry's pre-Montreal stance.

The treaty also establishes periodic reassessments and procedures for changing the reduction schedule based on scientific developments. A major Arctic expedition planned for next winter, for example, should provide a better basis for policy makers to consider possible steps at the first

formal meeting of parties next year. The immediate priority is for the protocol to enter into force. This can only occur when 11 nations representing at least two-thirds of global CFC consumption ratify it. So far, only Mexico and the United States have done so. It is essential that Japan, Britain, West Germany, France, the Soviet Union and Italy follow. It is also important that such potential large manufacturing and consuming countries as China, India, Brazil and South Korea soon ratify.

Thus, calls to renegotiate a "tougher" treaty may be well-meaning but are not helpful. They can only complicate the political process under way in many countries, some of which worry about the economic and social costs of phasing out chemicals considered essential to local industries.

It is by no means sure that the requisite ratifications will be obtained by the end of this year, as negotiators originally hoped.

The European Commission has proposed that the 12 EC countries ratify simultaneously, a departure from usual practice. This may enhance the Brussels bureaucrats' "federal" authority, but it effectively ties the bloc to its slowest member. It would be a pity if the commission's ideal of European unity were to hold up the rest of the world in protecting the vitally important ozone layer.

The economic summit in Toronto, representing countries that together account for 90 percent of global CFC production, offers a splendid opportunity to focus attention on the rapid implementation of the protocol. Protection of the ozone layer should not be held hostage to European federalism. Nor is it well served by panicked reactions to each new scientific study. What is needed is the earliest and widest possible international acceptance of the provisions and procedures negotiated in Montreal.

The writer, former deputy assistant secretary of state and chief U.S. negotiator for the Montreal protocol, is currently senior fellow at The Conservation Foundation in Washington. He contributed this comment to the International Herald Tribune.

For Americans, a Choice of Recessions

By Masaru Yoshitomi

TOKYO — World economic developments since the Venice summit a year ago have clarified the bottom line on international trade imbalances: U.S. domestic consumption must be dampened.

This should be the central macroeconomic message for the seven leading industrial democracies, which starts Sunday, as well as for the next president of the United States. Several developments stand out. First, U.S. exports have risen at an annual rate of 20 percent in the past year or so. This export boom has kept some policy makers from pressing for any further decline in the value of the dollar. Yet the U.S. current account deficit worsened in 1987 and the scope of its improvement in 1988 appears limited. (The current account is a broad trade measure that includes merchandise and nonmerchandise items.)

The basic reason is simple. After allowing for the deterioration of the terms of trade (higher import prices due to a weaker dollar) and net investment income paid abroad, there is virtually no room for U.S. import volume to increase if the current account deficit is to be reduced, even by as little as \$15 billion a year. Yet last year, U.S. imports increased 7 percent.

The second development is that the U.S. export boom is spurring ever stronger business investment. Yet partly because of the strong dollar, the import content of U.S. business investment is now 35 percent, up from about 10 percent in the early 1980s. Imports of capital goods are badly needed to allow more productive investment, and suggests that U.S. imports of consumer goods should be curtailed in order that the total volume of imports not increase.

Third, real domestic demand in Japan expanded at an annual rate of 7.7 percent in the second half of 1987 and accelerated further in the early months of 1988. Japan's overall imports increased 20 percent during that period, with particular strength in manufacturing imports, which rose at an annual rate of 40 to 45 percent. Japan's current account surplus declined \$14 billion in the 12 months beginning in mid-1986.

It has been strongly suggested that rigorous expansion of domestic demand reduces not only Japan's surplus but also the U.S. deficit, and that this amounts to international macroeconomic policy coordination. But the strong expansion of domestic demand in Japan has had little to do with the significant reduction of the U.S. trade deficit.

The good news on the U.S. March trade deficit caused long-term dollar interest rates to rise, and stock prices weakened. Markets feared that the strong export performance might overheat the U.S. economy and accelerate inflation. This contrasts sharply to the relationship observed in the past: that a disappointingly large trade deficit exerted downward pressure on prices in three markets: dollar exchange, bonds and stocks.

Since strong export performance and hence strong business investment remain desirable if international imbalances are to be cut to sustainable levels, U.S. domestic demand (excluding business investment) would appear to be too strong.

Unemployment in the United States has dropped to what is considered a "natural" rate. When exports are booming at what amounts to full employment, domestic re-

sources should be redirected from consumption and housing toward exports and investment.

It is often argued that reducing domestic demand would be deflationary. Yes, it would result in a consumption recession, but the U.S. economy would not experience a recession in terms of gross national product, thanks to strong exports and business investment. What is more, a consumption recession is needed to allow strong export-led expansion with no risk of a rise in inflation or higher real interest rates caused by full employment.

A further dollar fall now would be counterproductive unless a deeper consumption recession accompanied it. This is the way to avoid a GNP recession, which might otherwise result from overheating and hence from unnecessarily tight monetary policy. Both fiscal and monetary policy should be designed in such a way that a consumption recession would prevent a more serious GNP recession.

Surplus and deficit countries should coordinate their macroeconomic and exchange-rate policies to maximize the benefits and minimize the costs of the international adjustment of trade imbalances.

But the imbalances are essentially an American problem. If that point is not taken, the result could be costly, due to overly large medium-term swings of the real exchange rate and an acceleration of U.S. inflation. This, in turn, could put heavy pressure on the policies of the surplus countries.

The writer is director-general of the Economic Research Institute of Japan's Economic Planning Agency. He contributed this comment to the International Herald Tribune.

100, 75 AND 50 YEARS AGO

1888: An Ailing Market

LONDON — The Economist says: "The American market still continues sick, very sick. Why this market should have become the canker of finance in Europe is strange; that it is so is certain. The whole thing means merely a lack of confidence in the directors of American railroads, and the law of the United States as applied to them. Unless something be done the American market in London will become like the American market in Paris; that is, it will simply disappear. There have been very serious strikes both in the East and in the West, which have inflicted heavy losses upon railway companies. Lastly, the reports respecting the winter wheat crop are exceedingly bad. We can hardly expect any material recovery for some time to come."

1913: U.S. Race Ruling

NEW YORK — American negroes are not entitled to the same privileges

as American whites: The decision by the United States Supreme Court yesterday (June 16), pronouncing the Federal Civil Rights Act illegal, places negroes completely out of bounds. The decision was in a case where a negro sued a steamboat company for damages for compelling him as a first-class passenger to sleep in the lower deck and refusing her a special table provided for her.

GENEVA — A report favoring the summoning of a conference to study the possibility of limiting and controlling the growth of white poppies was adopted (on June 17) by the advisory committee on opium traffic of the Narcotic Conference session here. The committee proposed a plan whereby consumer nations would purchase opium only in legitimate needs and producer countries would keep poppy growth and raw opium output down to a quota.

1938: For Opium Talks

NEW YORK — American negroes are not entitled to the same privileges

Handwritten signature or mark at the bottom of the page.

الهرالد تريبيون

Beirut Mystery: Fate of Jewish Doctor Who Treated Hostages

By Lara Marlowe
International Herald Tribune

PARIS — After three French judges were released in Lebanon last week, they spoke of a gentle, kind and courageous Lebanese (Jewish) doctor, also a hostage, who cared for Michel Sraoui while the Frenchman was dying. The freed hostages said that each the doctor, Elie Hallak, writing letters to his wife.

Rachel Hallak, 49, who in Paris, has now told of her long effort to obtain her husband's release, including a trip into the embattled southern suburbs.

Hallak, then Rachel Sraoui, studying nursing in Beirut in 1960 when she met Dr. Hallak, an-born Jew just back from school in Paris. They married in 1960 and settled in the Ein el-Fraisse quarter of West Beirut.

In 1977, as the Lebanese civil war went into its third year and the doctor's three sons were approaching college age, the Hallaks decided the mother should take the children to live in France.

Dr. Hallak was 51 at the time he started practicing in pediatrics in his high standing among his colleagues. Until his abduction eight years later, family members would fly back and forth.

The Hallaks lived in a Moslem neighborhood in Beirut, but Mrs. Hallak says she has no friction with their neighbors, Sunni and Shiite.

Hallak was playing cards with a group of them in the apartment on Dec. 29, 1985 when four gunmen came for him.

All the neighbors were yelling, "Save him! Save him!" she says. "I was a woman neighbor who was poor, a Shiite woman called Ali. He treated her children for me."

"He screamed, 'Um Ali! Um Ali! Save me!'" says Mrs. Hallak. "I ran after them, but I got pulled away from her head as the car got in the back seat of the car

beside him, but they pushed her out. They told her: 'Don't be afraid. We're only going to ask him a few questions.'"

Mrs. Hallak, who was in Paris that day, received a telephone call from her brother-in-law telling her about the abduction. She decided to go back to Beirut. "I was sure that I was going to save him," she says.

Mrs. Hallak addressed her first plea to Sheikh Mohammed Hussein Fadlallah, who is widely regarded as the spiritual leader of Hezbollah, the Iranian-inspired group suspected of abducting Jews and Westerners in Lebanon.

"A Shiite neighbor said: 'We will go with you to the mosque in Bir el-Abed, where Fadlallah preaches. He must see anyone who goes there.' I went there with four women who were neighbors — one of them was Um Ali — and I put a chador on. Fadlallah was sitting high up on a platform, about eight steps up. I was afraid and asked two of my women friends to come with me. The guards were women, too, but they said 'no' — I had to go up alone. I had to address him as 'Learned Sheikh.' Every sentence had to begin with his title."

"He knew I was in the mosque and he knew I was Jewish. He said: 'My daughter, I cannot help you. I am a religious man, not a political man.' He said, 'Yes, I have received many letters about those Jews.'"

Mrs. Hallak stayed in Lebanon and went to work as a nurse at the American University Hospital in West Beirut. Many of those she cared for were Shiites. In July 1985, four months after her husband was abducted, she received a surprise phone call.

"It was my husband. He told me that he knew what I was doing but he wished I would stop because it was dangerous. In another phone call, he said he was glad he had met some Frenchmen but that he was unhappy they had taken him away from his Jewish friends."

Mrs. Hallak would hear her husband's voice at least eight times



FREED BY KIDNAPPERS — Zahair Ariss and his wife embraced their son, Ramzi, 5, on Friday shortly after he had been freed along with his brother, Samir, 9, left, and sister, Dana, 14. The children of the Sunni Moslem business family were seized three days ago and held for ransom of \$3 million. The children had been found, physically unharmed, just hours earlier in the Shiite area of south Beirut.

over a two-month period. Then the telephone calls stopped abruptly.

The first call coincided with the release by the Israelis of 700 Shiites taken prisoner in Lebanon. The calls ceased after four Russians were abducted in Lebanon in September 1985. One of the Russians was shot and wounded and Dr. Hallak may have been taken to tend him.

Several months after the telephone calls stopped, Mrs. Hallak received a call from the Palestinian who had arranged them.

"He said, 'I was abroad a few months. I love your husband very much and I tried to save him a long time ago, but he did not want to be saved without his Jewish friends. Then he told his friends that I tried to save him alone and he turned everything into a fiasco.'"

On Christmas Day 1985, the first of three Jewish bodies was found in the Catholic churchyard in West Beirut. Much later, the freed French hostages would tell her they believed her husband was murdered that last week of 1985 because on Dec. 29, his clothing, stethoscope and letters were given to them.

Mrs. Hallak refuses to believe her husband is dead.

Four days after Mrs. Hallak's departure from Lebanon on Jan. 18, 1986 — the day her husband's "execution" was announced — the armored door of their Beirut apartment was hacked down with axes and everything of value was taken.

In the spring of 1986, Mrs. Hallak says, she heard through a chain

of Moslem friends that her husband was alive. She has been further encouraged by second- and third-hand accounts of Lebanese radio reports that the Hezbollah wished to trade Dr. Hallak for prisoners held by Israel. "I think there is a good chance, if Israel would negotiate," Mrs. Hallak says.

Her sons believe their father is dead, but Mrs. Hallak refuses to give up. "I believe my husband is still alive. I feel it. I have a great deal of intuition and I seem to glimpse him often, in the future."

Belgian War Criminal Was Employed by U.S. Intelligence, Report Says

By Ralph Blumenthal
New York Times Service

NEW YORK — U.S. intelligence authorities in Europe employed a Belgian Nazi war criminal 10 years after World War II about properly checking his identity, even after he repeatedly gave false names, a government report said.

After the true identity and names of the informant, Robert

Jan Verbelen, became known, the report said, the CIA sought to assist his transfer, "without prejudice," to an unnamed allied intelligence service that officials later identified as West Germany's.

Verbelen, the report concluded, "manipulated" the army's Counter Intelligence Corps "into protecting him from being brought to justice."

The report, in preparation since 1984 by the Justice Department's Office of Special Investigations and made public on Thursday, was cleared in advance with the CIA, the army and the State Department.

It also cited 13 other cases of war criminals and active German Nazi collaborators who were recruited

after the war by the Counter Intelligence Corps. At the insistence of the army and the CIA, the 13 were not identified in the report.

Verbelen is now 77 years old and lives in Vienna, where he writes espionage novels and works as a speaker and publicist for neo-Nazi organizations, the report said. In an interview in 1984, Verbelen denied complicity in any war crimes and said he had organized an anti-Russian spy network for the Americans in Vienna after the war.

A Belgian military court in 1947 sentenced him to death in absentia for the murder of 101 people. In 1965, an Austrian jury found him guilty of inciting the murder of two people, but then acquitted him on

the ground that that he was following orders. The acquittal was later overturned by a higher court, but he was never retried.

The report examined charges first brought to light by the Anti-Defamation League of B'nai B'rith. It is the American Nazi-hunting unit's first major investigation since the 1983 inquiry into the Counter Intelligence Corps' hiring of Klaus Barbie, the former Gestapo leader in Lyon.

The investigation found that Verbelen, as a leader of the Nazi-aligned Flemish SS, directed a campaign of beatings and assassinations for which he was later cited on an early war crimes list of "security suspects."

Verbelen's explanations of his work for the Americans after the war, the report said, were "replete with exaggerations, lies and absurdities."

In one account, it said, Verbelen asserted that his first counterintelligence "handler," Captain Frank Harris, encouraged him to adopt an alias, "Peter Mayer," and urged him to file a false personal history form. Mr. Harris could not recall many details when interviewed in 1984, the report said.

From 1949 to 1951, "Mr. Mayer" went under a variety of other names, which should have tipped off his handlers, the report said.

In 1956, Verbelen told U.S. superiors his true identity. Instead of

beginning an inquiry then, the report went on, counterintelligence officers, with the CIA's help, sought to transfer Verbelen to the West German intelligence service.

One Counter Intelligence Corps memorandum retrieved by Justice Department investigators said that Verbelen had been "dismissed without prejudice" and was "suitable for intelligence re-employment." Agents said it was feared that Verbelen could fall into Soviet hands if they did not encourage his re-employment.

In the end, however, Verbelen joined the Austrian State Police, which, the report said, recommended him for Austrian citizenship in 1959.

Archbishop Who Defied Hanoi Dies

The Associated Press

BANGKOK — Archbishop Juyen Kim Dien of Vietnam, 67, spent the last four years under arrest for defying Communist attempts to control the country's Roman Catholic Church, his family said.

The Vietnam News Agency, in a report monitored Friday in Bangkok, said that Archbishop Dien died June 8 of an unspecified illness at Cho Ray Hospital in Ho Chi Minh City.

Archbishop Dien, the archbishop of Hue, was barred from priestly work and put under house arrest in 1974 for urging priests not to join government-formed Committees for Solidarity of Patriotic Vietnamese Catholics. Critics said the pope of the committee was to control the church. Archbishop Dien continued to circulate letters among his parishioners, and the authorities apparently made no serious attempt to replace him.

Other Deaths:

Serafin J. Wierda, 81, a Dutch fix who was president of the Eusebian Court for Human Rights in 1981-1983, Saturday at his home in The Hague, a relative said.

Zona Tagger, 88, one of Israel's native artists who was known for her depictions of the old port of Jaffa, Thursday at her home in Tel Aviv.

Joris N. Nannor, 61, a pioneer Soviet computer scientist who eight joint ventures with American companies and headed the Institute of Informatics Problems of the Intersectoral Scientific and Technological Complex, Saturday in Moscow.

Jacques Cardin, 69, who precipitated a parliamentary crisis in Canada in 1966 as justice minister in Liberal government of Prime Minister Lester Pearson when he urged that officials of the previous Conservative government had tried up a sex-and-spy scandal, Sunday of cancer at his home in Ottawa.

Frank Drozak, 60, the president of the Seafarers International Union of North America since 1960, Saturday of cancer at his home in Alexandria, Virginia.

Dr. John Adriani, 80, an anesthesiologist who created a controversy decades ago as an early advocate of requiring prescription drugs be sold under generic names instead of brand names, Tuesday of arthritis in New Orleans.

Jewis Swartz, 71, a 1930s surfing pioneer who fostered surfing as organized sport and developed judging systems used on the U.S. national circuit, of Thursday of a stroke in Los Angeles while on his way to a surfing competition.

INTERNATIONAL EDUCATION DIRECTORY

EUROPE

PACIFIC STATES UNIVERSITY
Los Angeles

EUROPEAN PROGRAM
Executive MBA and DBA residential seminars taking place in Europe 1988/1989

Registrar (European Program) Pacific States University
34 Elizabeth Road, Walsall WS5 3PF England
Telephone 0922-647944

AUSTRIA

INNSBRUCK INTERNATIONAL SUMMER INSTITUTE

3-6 week summercourses in English, German and Computer; 27 periods per week Monday through Thursday; Weekend program: sailing/windsurfing; mountain-hiking; tennis; skiing; travelling; cultural programs; For further information and mailing contact: IISB, A-6141 Schilberg 25 Austria
tel: (0) 52 25/42 01, 42 02; telex: 534354 itsch a

FRANCE

Schiller International University Paris
ESTABLISHED IN PARIS SINCE 1961

MBA DEGREE PROGRAM
SPECIALIZATION AVAILABLE IN INTERNATIONAL HOTEL AND TOURISM MANAGEMENT

- FULL-TIME AND PART-TIME PROGRAMS
- EVENING COURSES FOR WORKING EXECUTIVES
- PERMANENT HIGHLY QUALIFIED FACULTY
- OUTSTANDING BUSINESS LIBRARY
- LIMITED CLASS SIZE
- ACCREDITED MEMBER AICS WASHINGTON DC.

SCHILLER INTERNATIONAL UNIVERSITY 103, rue de Lille - 75007 PARIS
PARIS • LONDON • STRASBOURG • HEIDELBERG • MADRID

FRANCE

STAY AND STUDY IN PROVENCE

June, July & August 1988

A 4-week summer homestay program in Arles, Aix-en-Provence or Montpellier for adults of all ages with intensive French courses and excursions.

FRENCH-AMERICAN CENTER
of Provence-Languedoc
23, rue de la République
84000 Arles / FRANCE
Tel: 05 85 50 06 Telex: 432677

SWITZERLAND

Study in Switzerland
in Lausanne or Geneva

- Intensive French Courses (Alliance française)
- English all levels (Cambridge and PISA)
- Diplomas: commercial, secretary and executive secretary
- Maturité suisse • Baccalauréat français
- Computer science • Word processor
- Summer Courses June-Sept.
- Boarding accommodation

Informations: Ecole Lémania 3, ch. de Prévôté CH-1001 Lausanne
Tel: 021/220 15 01 Fax: 021/222 67 00 Telex: 450 800 el ch

SWITZERLAND

WEBSTER UNIVERSITY CELEBRATES ITS FIRST 10 YEARS IN GENEVA

Compared with the venerable Swiss institutions of higher learning with centuries of prestigious history behind them we are still extremely young. We are young even if we count our 25 years of experience in high level graduate education and the 73 years since Webster was founded in St. Louis, Missouri.

But youth is not a fault, not in our fast changing world where flexibility and adaptability are not abstract virtues but the very essence of survival — and progress.

Our friends (and critics) often ask: "Why an American university in Geneva?" The answer is not to compete with the high level of Swiss university education, but to offer an ALTERNATIVE EDUCATION based on a different philosophy of learning, a different system, a different dynamic view of our world in constant mutation.

The essence of what we offer is a thoughtful and tested combination of academic disciplines, empiricism and real world experience. Our faculty of some 120 men and women combine these to the highest degree. We offer American expertise and international know-how in areas where the US educational system has special and widely acknowledged strengths: Management, International Relations, Human Resources Development, Business Administration, Computer Studies, Marketing, and the Behavioral and Social Sciences without which there is no real university. We offer accredited BA, MA, MBA degrees.

One word on accreditation: we have been accredited by the North Central Association of Colleges and Schools since 1925. This year our accreditation has been reviewed and renewed.

What does accreditation mean? It means that credits and degrees earned at Webster are accepted by all recognized (accredited) US universities. It guarantees the quality of work and unrelenting standards of performance and evaluation.

When we started our Geneva campus in 1978, our student body numbered 15 students. Surely a family affair. Today with more than 550 students the family spirit is still there. It is reflected in our small classes, close contact between faculty and students, tutorial attention to students' learning needs, and personal development.

We mean to keep it that way for the next 10 years — and beyond.

If you wish to learn more about Webster University, phone our Admissions Office at 022 74 24 52 or send the attached coupon for the University Catalog.

WEBSTER UNIVERSITY IN GENEVA
15, route de Collex - 1293 Bellevue - Genève

Name _____
Address _____
Telephone _____

LEARN AND LIVE THE FRENCH LANGUAGE
in calm and idyllic surroundings near Monte Carlo. Cap d'AI, a health resort, offers a wide range of hotels and pensions.

The CENTRE MEDITERRANÉEN D'ETUDES FRANÇAISES offers 36 years of experience. Whatever your level, you may choose a mastery of French to suit your professional or cultural needs. Small groups, 4, 8 or 12-week courses starting each month. Complete tapes and library are available to students supervised by a professor.

Readers with enrollment fees, dorm or with board and lodging.

CENTRE MEDITERRANÉEN D'ETUDES FRANÇAISES
06320 Cap d'AI (France)
Tel: (93)78.21.59. Tlx: CEMED 461792.

An AMERICAN UNIVERSITY in PARIS

MBA Master's degree in Business Administration

UNIVERSITY of HARTFORD BUSINESS SCHOOL

15, rue de la Grande Armée - 75116 Paris
Tel: (1) 45.00.98.28 - Telex: RVL 640 263

BOSTON UNIVERSITY IN PARIS

and elsewhere offers a MASTERS DEGREE in INTERNATIONAL RELATIONS

49, Rue Pierre-Charron, 75008 Paris, Tel.: 45 61 49 23.

BRITISH ISLES

A UNIVERSITY DEGREE
can be yours

Your experience in work and life may count in qualifying you for a degree. B.A., B.Sc., M.A., M.Sc., M.B.A., Ph. D. No classroom attendance required.

For further information send brief c.v. to: University Auxiliary Services, Dept. H, P.O. Box 94, Douglas, Isle of Man, BRITISH ISLES.

UNITED KINGDOM

TASIS: one School, four Countries.

SWITZERLAND • ENGLAND • FRANCE • GREECE

- Longest established independent American boarding/day school in Europe.
- Beautiful campuses near Lugano, London, Paris, and Athens.
- Small classes, AP courses, dedicated faculty, and family-style community.
- Extensive European travel, sports, art, music, and theater.
- U.S. college prep education with added international dimension, grades K-12.
- Unique Post Graduate Year in Europe with college-level study and course-related travel.
- Special International Section offering ESL instruction and immersion in English language for students representing over 40 nationalities.

SUMMER PROGRAMS
Intensive language study. Academic credit and enrichment courses, study skills. Children's camp, Ages 6-18.

TASIS England, Box 31 Colbarrow Lane, Thrapston, Northants NN16 9JF, England. Tel: (0933) 565 252. Tlx: 929 172

Send for a free copy of the

INTERNATIONAL EDUCATION GUIDE

Write to: Françoise Clément, International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France.

UNITED KINGDOM

SUMMER SCHOOL '88

Covered ages 7-16

- English Language tuition
- Activity rich programme including Sports and Sightseeing
- 2 superb residential centres
- Best locations in SE England

Backpackers' International Summer School
Uckfield, East Sussex
Tel: +44 625 61666
Telex: 95992 BaeGee G

ARTS / LEISURE

Peter Ustinov As Churchill

By Thomas Quinn Curtiss

PARIS — Peter Ustinov, after 17 years of abstinence, is taking up the cigar again. The producers of a coming Soviet-U.S. film on the Russian victory over the Germans at Stalingrad are demanding that he do so. Ustinov plays Churchill.

The British leader never went to the Stalingrad front, explained the 67-year-old actor, playwright, author and all-around Renaissance man in an interview here. However, Churchill did meet Stalin in Moscow while the battle that turned the war in Eastern Europe was raging. And that's where Ustinov and the cigars come in.

"The meeting of the Big Two took place in the Kremlin and the scene of it will be filmed there," Ustinov said. "I shall have to go back to smoking cigars, a habit I gave up 15 years ago."

The film, a Soviet-Warner Brothers co-production, goes before the cameras in June. The script, written by a Russian scenarist, is good, Ustinov said, but he had some changes in mind for the dialogue. "I don't think that Churchill said to Stalin or anyone else anything as banal as 'I admire your attitude,'" he said. "This may have been implied, but the line lacks the thrilling thunder of a Churchillian discourse on historic occasions. He must have uttered a more booming phrase."

Though born and brought up in England, Ustinov is of Russian ori-

gin and the land of his forefathers fascinates him. One of his plays, "Half Way Up The Tree," a humorous handling of the generation gap in the hippie era, has been running for years in Moscow.

His uncle, Alexander Benois, was a scenic designer for Diaghilev and his home in his childhood was a center of artistic refugees who had fled the revolution.

Three years ago Ustinov wrote a survey of the last 800 years of Russian history, titled with little modesty, "My Russia." So it is a country that engages him.

A Canadian television company approached Ustinov with an offer to finance a film on Russia which he would write, direct and act in.

The serial has been seen on Canadian and Australian television and a few of its sequences have been aired on public broadcasting stations in the United States.

Ustinov said he decided to cast himself as a reporter who by some time-machine magic conducts interviews with Russian rulers and authors who have left their imprint on the history and literature of their country.

"In the film I commune with Ivan the Terrible, Peter the Great, Catherine the Great, Alexander I, Dostoyevsky, Tolstoy and Lenin," he said.

"Ivan, Peter and Catherine tell me of the measures they imposed on their subjects to unite the sprawling nation. Generalizations are always ridiculous, but the Slav-



Ustinov, in one of his guises.

ic attitude to privations and misfortunes is curious. I find that it denotes not a streak of masochism but a rather stoic resignation which I touch upon in my imagined talk with Dostoyevsky."

Dostoyevsky was sentenced to death in 1849 for membership in an intellectual group. The judgment was later commuted to 10 years hard labor. "I ask him," Ustinov said, "if he did not resent such harsh punishment. On the contrary, he replies, he regards the sentence as a blessing in disguise, bringing him the rich material for his novels. I bear no grudge against Nicholas I for his judgment. I only pity him for his stupidity," he adds.

"I don't interview Chekhov as he disliked personal publicity."

Ustinov's script for the series was approved by the Soviet authorities and he was allowed to film wherever he wanted. "My proposal to interview Lenin, however, led to some lengthy discussions," Ustinov said. "A meeting of officials was called, and one delegate proposed my request to asking the Vatican to aid me in expressing my personal opinion of Jesus Christ."

Ustinov said he was going to London for the royal screening of the film, "Death by Appointment," in which I am again Agatha Christie's Belgian sleuth, Hercule Poirot.

"My identification with Poirot," Ustinov said, "alarmed me at first. According to my research he would be, if still living, about 140 and much too old for me. The latest film of his adventures transpires in Palestine in 1936. At that time he might still have been on hand, though not on active duty." Or probably smoking cigars.

Art and Arch-Capitalism in China

International Herald Tribune

BEIJING — When the winds of change sweep across a whole society, affecting its outlook on the world at large, trivia can be more telling than political statements.

There was a cascade of such trivia here earlier this month that disclosed volumes about the Chinese leadership's new thinking on ties to

SOUREN MELKIAN

the West, its acceptance of a staggering cultural rapprochement, its handling of its own artistic heritage, and, not least, its experimentation with the free market.

Seen by an outsider, it often looked like a spoof, so utterly improbable were the details. The most extravagant, yet the most far-reaching in its long-term implications, was the culminating point of the weeklong series of events — the auction of contemporary art from China and from the West organized by Sotheby's. Conducted June 5 in the Hall of Ancestors at the heart of Beijing's Forbidden City by the chairman of Sotheby's International, Julian Thompson, the whole scene had more than a touch of Dada-style incongruity about it.

Seated between the tall, slender pillars of a structure once dedicated to the celebration of ancient rites, members of the jet set watched an English auctioneer selling off a motley selection, starting with an East-West compromise: Zao Wou Ki's untitled composition in ink on paper, abstractionist but suggestive of animal forms in the tradition of the 17th-century Individualist School. The sale went on to Keith Haring's "Red-Yellow-Blue No. 2" in the best Western schoolboy's doodling tradition, and ended with a Cartier necklace.

Add to that haute couture costumes, a case of Champagne and 500 grams of caviar in a silver-plated box by Christofle, and you had a fine sampling of the paraphernalia of decadent bourgeois lifestyle. These were for sale through the arch-capitalist form of commerce, bidding at auction.

Had the Chinese authorities allowed the display of such futile merchandise during a seven-day viewing without restriction, this alone would have been news. But they did not just permit the sale; they became key partners. How they did reveals much of the Far

Eastern approach, with personal contacts all important.

None of this could have happened without Pierre Cardin. His undertakings in China in the last decade are joint ventures with the state that have earned him an invaluable capital of respect from the Chinese side. Cardin, hearing that a symposium on the properties of ginseng was planned in Beijing, hit on the idea of a jet set tour of China, culminating in an auction. Cardin had help. His right arm in China, the formidable Soong Hwei Kwei, conducted negotiations for nearly a year with the Chinese authorities. The overall project was to be called "The Return of Marco Polo" and the proceeds were to go to the Safeguard of Venice Committee. When the Chinese suggested that the funds be split between Venice and a Chinese project to restore the Great Wall, Cardin's side knew they were in business.

Cardin then introduced Soong and, through her, the world of Chinese politics and culture, to Daniel Vial, who has a small French public relations company. Vial became president of the fund-raising committee, organized the tour through a Paris travel agency and set up the sale, bringing in Sotheby's.

The Chinese side heartily agreed to Sotheby's participation. That in itself has symbolic significance, amounting to implicit approval for the Sotheby's operation in Hong Kong, where the auction house conducted the first sale of Chinese art in 1973. This further implies that the Chinese do not feel Western auction houses share any blame for handing relics in Hong Kong



The landmark auction in China's capital totaled about \$485,000.

thought to have been excavated from clandestine digs in China.

Indeed, two days before the Sotheby's auction, a Chinese company held its own auction of Chinese art, which included early excavated works. The official status of the auction organization was not clear, nor the provenance of every item. The auction was not a great success, as a result of the inexperience of the organizers. But the point of the Chinese auction does not lie in its failure: The extraordinary thing is that the Chinese should have gone so far as to adopt the Western auction model.

Sotheby's did not get heavily involved in the choice of the Western contemporary art. Concerning the Chinese section, however, the company went much further. Its New York expert Arnold Chang submitted a list of living artists from China whose work sells well in Hong

Kong and New York. They were approached through an editor of the Beijing Daily, Fang Xiaon, himself an established painter who donated a painting of his own.

The finishing touch came with the inclusion of "White Prunus," carrying the signature of Deng Lin, the daughter of Deng Xiaoping. The horizontal painting in ink on paper done in the Chinese manner was acquired by the wife of the artist Arman, with a remarkable sense of diplomatic timeliness — West indeed was meeting East.

The carefully contrived celebration, which mattered more because it happened than because of the quality of the art, seemed headed for guaranteed success. But at the 11th hour, it came close to disaster. On May 29, Vial called an improvised press conference to launch the events. His remarks as reported in the Chinese media boiled down to

the effect that the Chinese had been too demanding financially. The authorities, who had been remarkably forthcoming and reasonable — as Cardin and Thompson separately confirmed — were incensed.

Another adverse factor was the anger among several of the 250 participants in the tour over the accurate rate hotels and the difficulties getting around when there had been talk of limousines. The complaints came from wealthy potential buyers, and bad mood is no domain conducive to happy bidding.

It says a lot for Sotheby's and Thompson's talent that the auction outcome should be as good as it turned out: 1.8 million yuan (about \$485,000) worth was sold.

Thompson's performance was dazzling. Having shed his usual brisk, cool London manner, he gave an astonishing imitation of a Frenchman as seen by upper-class Britons. He capoted the attendance time and again into making one more bid, threw his arms open in wonder when it would not come, and on one occasion intoned a derisive "No! No! No!" in old-fashioned musical comedy style.

Asked if he would contemplate more sales, Thompson flashed back an unequivocal "Oh, yes." The Chinese after the sale were smiles, glances suggesting satisfaction, almost a sense of triumph.

Vial's talk had been forgotten in favor of essentials: China's transformation. The cultural rapprochement with the West, concerts, ballet, auction and all, are but the overture to the grand opera of China's new deal.

AUCTION SALES



Habsburg, Feldman GENEVA - FINE ART AUCTIONEERS

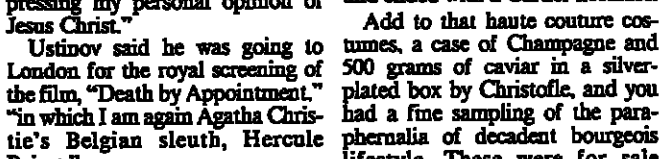


CALENDAR OF SALES JUNE - JULY 1988

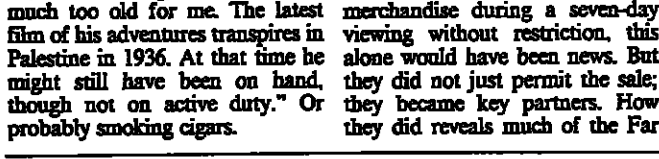
- June 26 Impressionist, modern and contemporary paintings and sculpture
June 27 Art of Galle Art Nouveau/Deco and illustrated books
June 28 Art of Cartier: watches, clocks, jewellery and objects of vertu Fine jewellery
June 29 Jewellery (tast cash sale) Antique jewellery Miniatures, objects of vertu, Faberge, Russian works of art Islamic works of art
July 3 Old master paintings, prints and drawings

Habsburg, Feldman S.A. 202 route du Grand-Lancy P.O. Box 125 1213 Onex, Geneva, Switzerland Telephone: 022 57 25 30

MAIRIE DE PARIS



FREE PUBLIC CONCERT Place Vendôme



ORCHESTRE DE PARIS under the direction of Sir Georg Solti BEETHOVEN: Symphony no. 3, 'Eroica' under the patronage of JPMorgan

DOONESBURY



INTERNATIONAL ART EXHIBITIONS

WALLY FINDLAY Inc. 2, avenue Maffignon (48, avenue Gabriel) 75008 Paris Tel.: (331) 42.25.70.74. Open from Tuesday thru Saturday 10 - am to 1 pm and 2 h 30 pm to 7 pm SIMBARI 10 JUNE - 9 JULY

COLERIDGE BRITISH CONTEMPORARY ART GLASS GALLERIES LONDON 192 Piccadilly W1Y 9LG Tel. 01-237-0105 Monday-Saturday 10 a.m. to 6.15 p.m. EDINBURGH 478 George Street, B2 2JF Tel. 011-220-1305 Monday-Saturday 10 a.m. to 5.30 p.m.

GALERIE PETRIDES buys IMPRESSIONISTS and MASTER PAINTINGS 63, Faubourg Saint-Honoré, 75008 PARIS. Tel.: (331) 42 66 42 32

COLNAGHI An Exhibition of MASTER DRAWINGS Presented by JEAN-LUC BARONI June 22 - July 9 Illustrated catalogue available 14 Old Bond Street, London, W1 Tel.: 01-491 7408 GUERCINO A dancing Putto, 205 x 103 mm.

LOBO Sculptures DU 27 MAI AU 9 JUILLET daniel malingue 26, avenue Matignon - 75008 Paris. Tél. (1) 42.66.60.33

LEFEVRE GALLERY 30 Bruton Street, W1. 01-493 2107. PICASSO Works on Paper, Barcelona, Blue and Pink Periods. Until July 22. Mon.-Fri. 10-5. Sat. 10-12.30

GENEVA GALERIE DE LA CORRATERIE ECOLE DE PARIS Boudin, Renoir, Utrillo, Vlaminck, Van Dargen, Modigliani, Collioure, Gignac buying - selling 18, rue de la Corratèrie 1204 GENEVE Tel. (022) 28 58 80

GALERIE LOUISE LEIRIS 47, Rue de Monceau, 75008 Paris. (1) 45 63 28 85 - 45 63 37 14 ELIE LASCAUX IN PARIS 1888 - 1968 65 Paintings From May 17 to June 25

XAVIER MEDINA-CAMPENY Sculpture Exhibition Wildenstein Gallery 147 New Bond Street LONDON Now through June 30th.

BASEL HOLBEIN Drawings by Hans Holbein the Younger from the Collection of H.M. Queen Elizabeth II Windsor Castle, and from the holdings of the Museum of Fine Arts, Basel Museum of Fine Arts Basel June 12th - September 4th 1988 daily 10 a.m. - 17 p.m.

MUSÉE RODIN 77, rue de Varenne, 7^e - 1^{er} Arrondissement DODEIGNE Daily, except Tuesday from 10 a.m. to 5.45 p.m. MAY 11 TO SEPTEMBER 11

MUSEE DE L'HOMME Place du Trocadero - 45.53.70.50 WITH THE ESKIMOS First sale of Greenland, Missions Paul-Emile VICTOR & Robert GESSMAN. Every day except Tuesday, from 9.45 a.m. to 5.15 p.m. FROM JUNE 15 1988

MUSÉE PICASSO - ANTIBES Château Grimaldi ANDRE BRASILIER JUIN

"ART EXHIBITIONS" "ANTIQUES" "AUCTION SALES" appear on Saturday For more information, please contact your nearest I.H.T. representative or Françoise CLEMENT, 181 Avenue Charles-de-Gaulle, 92521 Nanterre Cedex, France. Tel.: 46.37.93.00. Telex: 613595

Scuola Grande San Teodoro - Campo San Salvador DALI (Original sculpture, drawings, gouaches, illustrated books, rare lithographs.) Open daily 9:00 a.m. to 7:30 p.m. continuously.

IMPORTANT INTERNATIONAL AUCTION 13. - 14. July 1988 Frankfurt-Airport-Hotel Sheraton Daily 10.00 a.m. Preview: 10. - 13. July 1988 10.00 a.m. - 8.00 p.m. HENRY'S & UTO Silver, Antique & Modern Jewellery Pocket & Wristwatches For catalogue please contact: Swiss: Uto Auktions AG, Falkenstr. 12, 8008 Zurich Phone 01/2525888, Fax 01/2528453 Germany: Henry's Auktionshaus, 6704 Mutterstadt Phone 06234/80110, Fax 06234/801150

Collector's Guide VERDURA We are interested in purchasing any VERDURA jewellery or objet d'arts. Please contact either our New York office at (212) 265 32 27, or our London representative at 01-930 36 06. ANTIQUES June 21-22-23 11 a.m. to 8 p.m. (last day 6 p.m.) 29th ANTIQUARIAN BOOK FAIR Park Lane Hotel Piccadilly W1 For information: Antiquarian Booksellers' Assn 01-379 3041

NEWS

THIS REPORT

THE BES

Canadian Pacific Hotels & Resorts

Handwritten signature or mark.

Trade Surplus, Foreign Investment Spur Strong Business Activity

'We're quite upbeat about the Canadian economy.'

By Bernard Simon

TORONTO — For an economy traditionally in lockstep with its powerful southern neighbor, Canada is showing an unusual burst of independence. Business activity has been stronger north of the border for much of the past five years, the Canadian dollar has reversed a 10-year downward trend against the U.S. currency, and Canada's foreign trade is in surplus.

What is more, the authorities in Ottawa have acted sooner and more decisively than their counterparts in Washington to reduce the risk of runaway inflation.

Evidence of the healthy economic climate is not hard to find. On the bright side, the unemployment rate — now at just below 8 percent — is at its lowest level in seven years. Foreign investors, encouraged by Prime Minister Brian Mulroney's Progressive Conservative government, have poured their money into Canadian real estate and into the mining, lumber and manufacturing industries.

Thanks to climbing tax revenues, federal and provincial governments have been able to maintain — and in some cases expand — their generous social programs without pushing up budget deficits.

"We're quite upbeat about the Canadian economy," said Paul Kovacs, an economist at Burns Fry, a Toronto securities dealer. Mr. Kovacs noted that, despite an erosion in recent years, personal savings relative to incomes are twice as high in Canada as in the United States.

Business spending on plant and machinery is picking up as the consumer boom of the mid-1980s runs out of steam, and Canadian exporters are having considerable success in diversifying their markets beyond the United States.

Burns Fry predicts that gross national product will advance by 3.7 percent this year, about the same as 1987. Inflation is unlikely to be higher than the 4.4 percent posted last year, and the trade surplus is expected to widen from

10.3 billion Canadian dollars (\$8.4 billion) in 1987 to 12.6 billion dollars.

On the other side of the coin, the strains of five years of buoyant growth are starting to show. House prices in the big cities, especially Toronto, have soared out of reach of most first-time buyers. Skills in a growing number of labor categories are in short supply and many industries — construction, and pulp and paper, for example — are bumping against capacity.

Although consumer prices are still relatively stable, economists' main concern is that capacity constraints, more generous pay settlements and rising raw material prices may push inflation higher within the next year or two.

Data Resources of Canada predicted in a recent report that the consumer price index will accelerate to 5.1 percent in 1989 from 4 percent this year. But the consultancy also cautioned of a risk that lax monetary policies and strong growth could push the inflation rate up to almost 8 percent by summer 1989.

An especially encouraging facet of the economic outlook is the prospect that the gap between the performance of Canada's 10 provinces is set to narrow after almost a decade of widely divergent growth rates.

For the past five years, autos, steel, construction and a wide

spectrum of other manufacturing industries have spurred the industrial heartland of Ontario to an average annual growth rate of 5.9 percent. Unemployment has dipped below 6 percent. Housing starts in the province were one-third higher last year than in 1986, accounting for 40 percent of the total throughout the country.

On the other hand, the four Atlantic provinces and some parts of the prairies have suffered from their narrower economic bases and their exposure to volatile commodity prices. Saskatchewan, where farmers have been ravaged by drought and low grain prices, has posted an average growth rate of only 1.5 percent a year since 1983. Newfoundland's unemployment rate remains at over 17 percent.

In a series of long-range forecasts published last month, Royal Bank of Canada predicts a much more balanced picture over the next five years. According to the bank, lower consumer spending and a slacker housing market will push Ontario's growth rate down to an average of 2.5 percent a year between 1988 and 1992.

By contrast, the economies of western and eastern Canada are expected to benefit from developments as diverse as stepped-up oil and gas exploration in Newfoundland, a multibillion-dollar naval

frigate contract in New Brunswick and the impact of the U.S.-Canada free trade agreement in British Columbia.

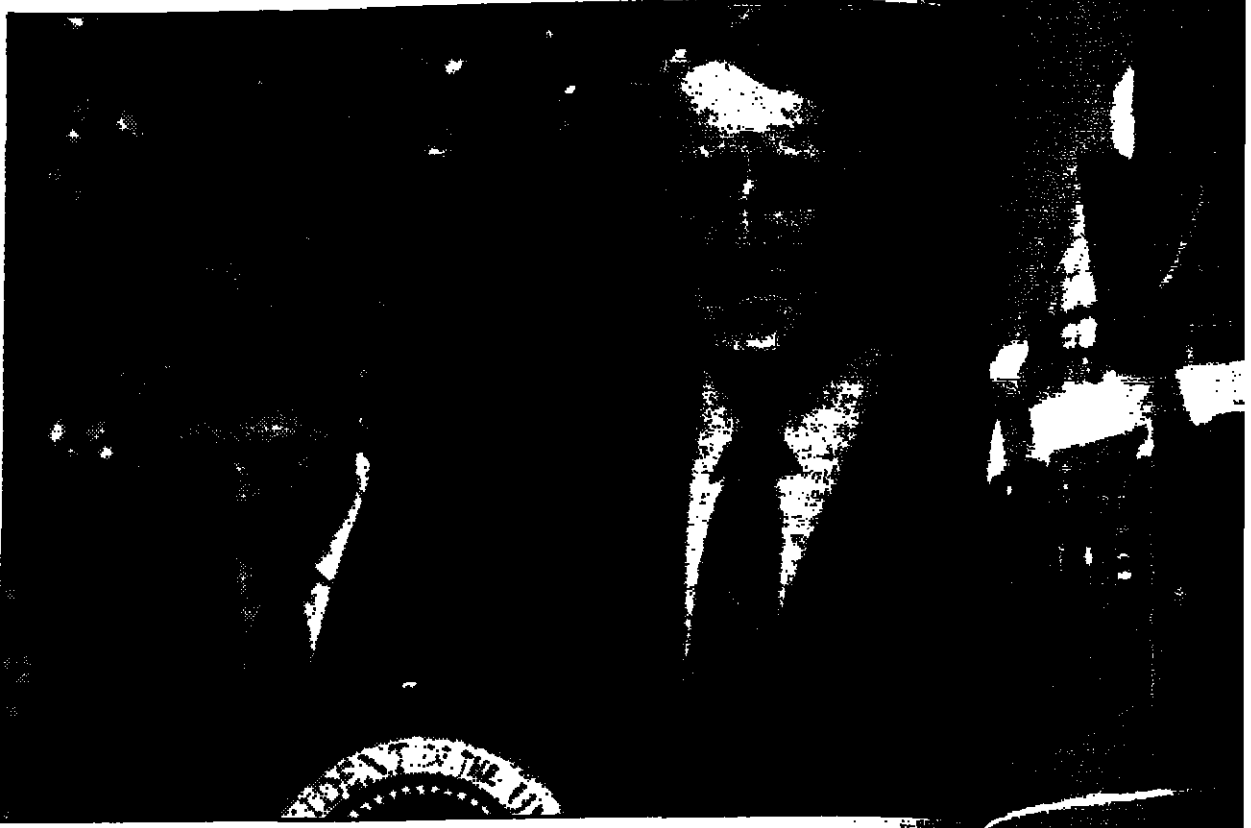
Royal Bank expects oil-rich Alberta to post the highest growth rate in the country, with output rising by an average of 2.8 percent a year, compared to 2.5 percent for the country as a whole. A main spring of Alberta's growth is expected to be the development of several large tar sands and synthetic fuel projects.

The federal government's present monetary policies are reinforcing the closing of the gap between central Canada on the one hand, and the western and eastern provinces on the other.

Concerned by the threat to inflation posed by Ontario's red-hot performance, the Bank of Canada has driven up interest rates. Canadian banks' prime lending rate stood at 10.75 percent at the beginning of June, up from 9.25 percent after the Oct. 19 crash.

Michael Miller, research director at the WEFA Group, a Toronto consultancy, said that "what the Bank of Canada is doing will lead to slower economic growth, which will put a cap on wage advances in 1989."

BERNARD SIMON is assistant managing editor of The Financial Post of Canada.



President Reagan and Prime Minister Mulroney meeting in Washington.

Why Trade Pact Draws Such Fierce Opposition

Continued from page 7

as vast as Canada's yet with such a small population.

But a trade agreement would draw Canada increasingly into the American way of doing things because there would be growing pressure to conform to U.S. practices and policies to make the agreement work better. There would be inevitable pressures for a common external tariff, for harmonization of policies in such areas as consumer protection, environmental control, taxation, competition and regulation.

And in view of the disparities in size between the two countries, there is little doubt as to whose philosophy and policies would prevail. Moreover, as integration continued, Canada would come to be seen by the rest of the world as even more of a junior partner of the United States than it is today.

This, in turn, explains why multilateralism is so important to Canadians opposing the bilateral trade deal. The General Agreement on Tariffs and Trade (GATT) and other multilateral institutions have served Canada well over the past 40 years. Canada has gained expanding access to the U.S. market, as well as to other markets, through successive GATT rounds, and there is every reason to believe that this will continue in the current Uruguay round of talks.

In some areas, such as the U.S. agreement in the Tokyo round to introduce the material injury test to its countervail and anti-dumping laws, Canada has benefited from changes it could not have negotiated on its own. In other areas, Canada has gained better access to the United States at lower cost than it would have if it had negotiated on its own.

There is no doubt that the multilateral system faces risks. Some Europeans believe the world will inevitably divide into regional blocs in Europe, North America and Asia. But this would be a retrograde step that would impose great costs for countries that did not readily fit into regional blocs. It would raise the specter of imperialism, in a different form. And it would raise global tensions.

Canadians who believe their country should be a champion of multilateralism fear that a

deal with the United States will encourage regional blocs.

They also worry about the implications of another form of bilateralism — the attempt by the United States to negotiate separate free trade deals with different parts of the world.

There are suggestions of a Mexico-U.S. free trade. And Prime Minister Noboru Takeshita of Japan said recently in New York that his country, at the U.S. suggestion, is studying a free trade arrangement with the United States.

A series of such bilateral free trade arrangements could also destroy the multilateral system. But many Canadians also believe that the specific agreement signed by Mr. Mulroney is a bad one. Canada failed to obtain the secure access to the U.S. market that it had sought, since Canada is still exposed to U.S. countervail, safeguard and other trade actions and to future protectionism through future changes to U.S. trade law.

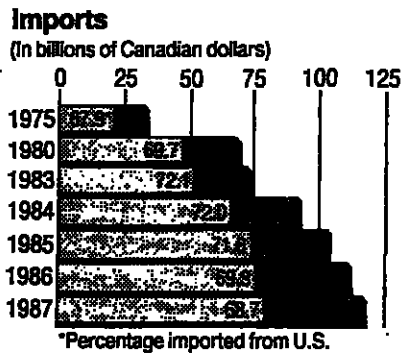
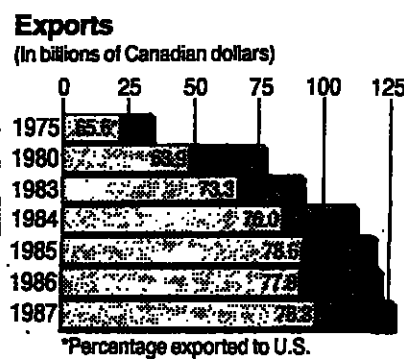
The price Canada paid to obtain the elimination of U.S. tariffs over the next decade was unnecessarily high since similar tariff reductions could have been obtained at lower cost in the Uruguay round. Even without the bilateral arrangements, more than 80 percent of Canadian exports go to the United States either tariff-free or at rates of less than 5 percent.

In return for the elimination of remaining tariffs, Canada has given a wide range of U.S. service industries the right of establishment and national treatment. Canadian controls on U.S. direct investment are largely eliminated except for takeovers of the biggest companies. The United States has gained significant rights of access to Canadian energy and to other natural resources. Canada will be constrained on the development of industrial policies.

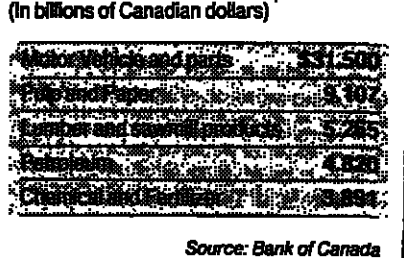
Moreover, the agreement contemplates a further round of negotiations which, if successful, would mean, further major changes in Canadian policies at both the federal and provincial levels. If effected, these changes would remove any lingering doubts about Canada's future as a distinct society in North America.

Canadians who oppose the bilateral trade deal recognize that foreign markets, especially but not only the U.S. market, are essential to their economic progress. They also recognize that a great deal needs to be done by Canadians to make their own economy more competi-

Canada Trade Profile



Five Top Exports to the U.S.



Source: Bank of Canada

Mulroney Fighting To Improve Image

Continued from page 7

major economic forecasting groups had predicted several years ago.

On the constitutional front, Mr. Mulroney and the 10 provincial premiers negotiated what is called the Meech Lake accord, named for the venue near Ottawa where they met. The accord attempts to put into the Constitution five demands made by Premier Robert Bourassa of Quebec after his election in 1985, and thus bring Quebecers to accept politically the constitutional changes of 1982 that they spurned in a unanimous vote of the Quebec legislature.

So far, five Canadian provinces have ratified the accord, and the federal Parliament is about to do so. But the opposition of a new Liberal government in New Brunswick and the uncertainty of a new minority government in Manitoba plus the accord's future in doubt, because such a constitutional amendment requires the unanimous consent of the 10 provincial governments and the federal government.

The free trade agreement with the United States, of course, is the most important initiative of the Mulroney government, a bold but controversial departure from Canada's historic reluctance to enter a free trade arrangement — or reciprocity, as it was once called — with a neighbor 10 times more populous.

The agreement would phase out tariffs over 10 years, fetter both governments from interfering to protect domestic industries, guarantee American access to Canadian energy resources, lower substantially barriers to U.S. investment in Canada and create a bi-national panel to assist in resolving trade disputes.

The agreement has been bitterly

denounced by cultural groups, trade unionists, the national Liberal and New Democratic parties, and by so-called Canadian nationalists, led by the largest circulate paper in Canada, The Toronto Star.

But public opinion surveys have consistently shown at worst an evenly divided population; at best a majority in favor of the agreement. Certainly in Quebec and throughout most of western Canada, a majority favors the deal.

The legislation implementing the trade agreement will produce long, hot political summer. Although politicians would love to flee humid Ottawa, the trade legislation and assorted other priority bills clogging Parliament's agenda will keep MPs hammering at other through July and perhaps into August.

If the government's political fortunes improve, the Conservatives want to call the election this fall rather than carry on into what would be the fifth year of the mandate. If the polls continue to put the Conservatives in third place, however, they will have no choice but to delay until the winter or spring on the theory that hanging tomorrow is preferable to hanging today.

Scarcely a week passes without Prime Minister Mulroney trying a new device to restore his popularity and that of his party. The economic summit meeting in Toronto of the Group of Seven nations, which begins Sunday, and the tour of West European capitals that preceded it are part of an effort to present Mr. Mulroney as a competent, even important, player on the international stage.

JEFFREY SIMPSON is a national columnist for The Globe and Mail.

The International Herald Tribune welcomes the delegates to the 1988 World Economic Summit, Toronto, Ontario.

We deliver Canada's best. Making decisions today requires more than intuition and number crunching. Events happening thousands of miles away can profoundly affect you and your business. So it pays to know what is going on both at home and around the world. This is why top executives in Canada turn each business day to The Globe and Mail and its Report on Business. Chairmen, presidents, investors, government leaders, professionals and managers find the information and guidance they need in their pages. The Globe and Mail, Canada's National Newspaper, gives them full coverage of national and international news events, political and government developments. Opinions, background and analysis of domestic and foreign affairs are all there. From Report on Business, Canada's Business Newspaper, they get the latest news about business and industry, investments, economic trends, plus Canada's most complete business data package, interpretation and forecasts. To provide a broader, in-depth view of the world, three high-quality national magazines are included with The Globe and Mail and Report on Business. Report on Business Magazine presents well-researched, thorough look each month at the business world. Destinations, published six times a year, is Canada's largest circulation travel and lifestyle magazine, and Domino, Canada's first magazine of international style, published quarterly beginning September, 1988. To reach Canada's best, advertise in Canada's best information sources. The Globe and Mail Canada's National Newspaper. Head Office: The Globe and Mail, 444 Front St. West, Toronto, Ontario, Canada M5V 2S9 Tel: (416) 585-5411. Fax: (416) 585-5422. Mike Solomon — Director of Marketing and Corporate Development (416) 585-5559. London: The Globe and Mail, 167 Temple Chambers, Temple Avenue, London, England EC4Y 0EA. Tel: 1-353-9771. Fax: 353-3343. New York: The Globe and Mail, 500 Park Avenue, Suite 4120, New York, NY 10110, U.S.A. Tel: (212) 354-6266. Fax: (212) 764-7586. Hong Kong: The Globe and Mail, 2802, Admiralty Centre, Tower 1, 18 Harbour Road, Hong Kong. Tel: 5-278863. Fax: 5-863020.

A Winnipeg location makes business sense. Winnipeg is on a billion dollar investment roll. It makes good business sense to locate here. But you need information first. We have all the materials you need to help you make a proper preliminary feasibility study. Information on the market, the raw materials, energy, economics, labour, transportation and more at your fingertips. We'll send you Winnipeg Facts, followed by, depending on your requirements, a tailor-made information package of researched materials. You can also request a copy of our video. Just drop us a note on your company letterhead or give us a call at the WBDC. A Winnipeg location makes good business sense. Winnipeg Business Development Corporation. 509-167 Lombard Avenue, Winnipeg, Manitoba, Canada R3B 0V3. Telephone (204) 944-8686. FAX (204) 944-8492. WINNIPEG LACKS A BILLION-DOLLAR ROLL.

REAL ESTATE INVESTMENT. 1,800 acres of PRIME HORTICULTURAL PEAT MOSS LAND. Over 155 million cubic feet of high quality deposits. Approved licenses and permits. Vendor lease back for 10 years at \$3 million net/yr. Existing production. Purchase price: \$14,000,000. Financing available. For further details, please contact: Mr. O. LEWIS, 46 Coopers Crescent, Richmond Hill, Ontario, Canada L4C 9L6. Tel: (416) 731-7545. TORONTO: Business for sale as well as prime residential, commercial and industrial properties. Contact: Ken Coffey Real Estate Broker, 22 Academy Road, Weston, Ontario M9N 3K2. Tel: (416) 247-4759. TORONTO: Very unique 36 acre lot for estate or business/retail. Farms, streams, woods and ponds. Deer habitat, trout, upland game and waterfowl. Modern 4-bedroom home with spectacular view, 40 min. flight from Pearson Int'l Airport. Excellent income potential and expansion/development prospects. Owner: Mr. Rizzio (416) 222-4222. Principals only. Tel: 519-842-4223. BUSINESS FOR SALE: Convenience store with car wash and self-service gas station, perfect location, Eastern Township, Canada. Price: C\$799,000. Also 1981 4-bedroom house, 100 ft. from Lake Memphremagog shore, price: C\$288,000. Tel: 519-842-4223. FOR SALE: Blockwater Lake Resort Ltd. in Ontario, Canada. Seven acres to be developed on the lakefront. Well furnished Swiss chalet style home, fully equipped. Owner in Germany with photos and information until June 29. Phone 49 5108 2766 or in Canada phone 416-827-9175.

BUSINESS OPPORTUNITIES. PARTNER IN CANADA. Medium sized company currently manufacturing electrical construction products and measuring/testing equipment for wire and cable seats. Investment or joint venture opportunities with organization looking for manufacturing and distribution in North America. R. Brown, Andora Assoc. Ltd., 55 Valleywood Dr. Markham, Ontario, Canada L3R 5L9. Tel: 416-474-9128. Fax: 416-474-9221. ANTIQUES. LOG HOME OVER 100 YEARS OLD. Disassembled and Delivered. BARN HOME. Designed from a 150-year-old hand hewn timber frame, disassembled, disassembled and erected on your foundation. Call Canada 1-416-653-0234. AUTOMOBILES. NEW 1978 CADILLAC ELDORADO MARQUETTE. Fully loaded including power windows and locking door, passenger and driver seats. 1971 CHEV PICKUP. Custom sport fully loaded including heavy duty 396 V8, gauge package and tech. 15,000 orig. miles. CALL: 1-418-852-0234. W/ANY MIGHTY REALTY LTD. 20 Huron St., Woodstock, Ontario, Canada. N4S 0Z2 (519) 538-0471. 25-acre estate, luxury living with owner's quarters, new London, Ontario. 1,000 acres, aged heavy industry (concrete used). Livestock terms, cash crop operation. FOR INFORMATION CALL OR WRITE: John J. Lee, ASSOCIATE BROKER.

Handwritten signature or mark at the bottom of the page.

Handwritten note in a box: "الجزيرة" (Al-Jazeera)

In Quebec, Nationalists Pin Hopes on Trade Pact

By Lise Bissonnette

OTTAWA — English-Canadian nationalists, drawn mostly from the intelligentsia, are somewhat unhappy with Quebec these days. Canada's intellectual and cultural elites are mastering a rare quasi-unanimity against the recent Canada-U.S. free trade agreement, deemed to be the Trojan horse for the final "Americanization" of the country.

But protest is marginal in the French-speaking province where cultural worries should have been expected to have sent many to the front lines of the resistance movement.

Quite to the contrary, Quebec is showing a rare quasi-unanimity of its own in approving trade liberalization with the United States. Both the leadership of the governing provincial Liberal Party and the Parti Québécois, the separatist party now in opposition, feature enthusiastic free traders.

Both big and small businesses share the federal and Quebec governments' confidence that the accord will bring added prosperity. And although trade unionists are somewhat more reluctant, their formal attempt at creating a coalition against free trade has vanished. Cultural circles are practically silent; their assumption is that the natural language barrier between Quebec and the rest of the North American continent is enough of a protection against U.S. invasion.

Such general optimism lies on shaky ground. Studies on the impact of free trade with the United States on the Canadian economy tend to show that peripheral regions — the West and the Maritimes — should be the winners. Manufacturing provinces, such as Ontario and Quebec, will have to go through much more painful restructuring; and until they do, it will be almost impossible to assess the overall benefit, if any, of the new arrangement.

The latest and most optimistic studies show that employment in Quebec, could grow by a little more than 2 percentage points from now until 1995, and that Quebec's GDP could grow by slightly over 3 percent. So much has yet to be discussed concerning the implementation of the treaty that Quebec's support for the agreement amounts to a simple act of faith.

"Such a support has more to do with an ideological mindset rather than sound cost-benefit analysis," said Professor Pierre-Paul Proulx, an economist at the University of Montreal. He has studied Canadian-U.S. and Quebec-U.S. trade flows since the 1970s.

Although still in favor of liberalization, he stands as a caution incarnate, warning that tough questions will arise as to the effect of the accord. Provincial jurisdictions over the service sector, the professional corporations and public pricing practices, for example, are already challenged.

Mr. Proulx and other experts are especially worried about domestic energy policies. U.S. opposition to price subsidization could push Quebec's low cost of domestic electricity to more "international" levels.

Electricity, however, is Quebec Premier Robert Bourassa's main reason for supporting the accord. Quebec's electricity exports to the United States have recently moved from surplus selling to firm and guaranteed long-term supplying contracts, mainly with the neighboring New England states and New York. Mr. Bourassa sees these exports, and the huge

hydro-electric development they will command in northern Quebec, as the backbone of Quebec's economic future. Stabilizing the trade climate with the United States is thus a must.

The nationalist Parti Québécois is Mr. Bourassa's best and most bizarre ally. Its new leader, Jacques Parizeau, an economist who was finance minister in the former Parti Québécois government from 1976 to 1984, harbors long-term hopes of his own about a Quebec-U.S. axis. He predicts that Quebec's dependence on the rest of Canada will decrease proportionately to the strengthening of the U.S. trade link. And Quebec's independence should somehow follow naturally, when the idea makes economic as well as political sense.

Free trade with the United States means a pull to a market economy much more than to the social democracy that the Parti Québécois is also supposed to care so much for. But Parti Québécois supporters three years into their recovery from a bitter electoral defeat have more pressing business than questioning Mr. Parizeau's daring assumptions.

Their internal problems have helped Mr. Bourassa create an unprecedented climate of cooperation between the Quebec government and the federal government, headed by Prime Minister Brian Mulroney's Progressive Conservative Party. This strange Liberal-Conservative alliance in Quebec is infuriating to the federal Liberal Party, whose long hold on power (1963-1984) was largely due to a quasi-monopoly of Quebec votes.

Mr. Bourassa and Mr. Mulroney, who is also from Quebec, managed last June to talk English Canada's nine provincial premiers into accepting a constitutional accord with Quebec, the only province to have rejected the 1982 constitutional reform of former Prime Minister Pierre Elliott Trudeau.

THE Meech Lake accord, as the 1987 arrangement is known, has satisfied some basic Quebec demands. Among others: a constitutional preamble formally recognizing Quebec as a "distinct society" within Canada, increased control over immigration, guarantees as to the province's representation among the Supreme Court judges, new rules governing federal spending power in fields of provincial jurisdiction.

Much more heatedly debated in Quebec than the Canadian-U.S. accord, the Meech Lake accord has been denounced by the Parti Québécois.

If polls are to be believed, however, the 1987 deal has gained general support throughout the province. Such support has probably little to do with the agreement's rather symbolic concessions, which are unable to stop Quebec's declining demographic (and political) strength inside the Canadian federation.

In the long term, the Canada-U.S. free trade accord might have much more influence on Quebec's economic and cultural future than the Meech Lake accord. But Canada's hesitation to settle amicably with Quebec, even at a low cost, is keeping the "national question" alive and well-anchored at the top of the province's political agenda.

LISE BISSONNETTE is a journalist and political columnist based in Montreal.

Canadians hope the new \$165-million, glass-and-granite National Gallery in Ottawa will nurture their cultural identity.

A Young Culture Struggles to Come of Age

By Ron Graham

OTTAWA — Rome may not have been built in a day, but 108 years seemed a long time for the National Gallery of Canada to establish decent quarters in Ottawa. Perhaps that's why the May opening of the art museum in its new, huge and splendid place has been greeted with a pride and celebration rarely accorded Canadian public architecture since Expo 67 in Montreal.

Even its sharpest critic conceded that the \$165 million, glass-and-granite extravaganza, designed by Moshe Safdie, a magnificent point overlooking the Parliament buildings and the Ottawa River, is "an instant landmark deed for popular success."

Part of the joy was simple relief at no longer having to sit at the worthy collection of European, American and Canadian masters in the dingy, leaky office building that had been the Gallery's home since 1960. It also reflected a perennial desire to come to age at last as a sophisticated culture.

Canadians have had their international achievements, whether the novels of Robertson Davies and Antonine Maillet, the paintings of Jean-Paul Riopelle and Alex

Colville, the music of Glenn Gould and the Montreal Symphony, or the films of Norman Jewison and Denys Arcand. But there remains a persistent insecurity that Canada itself isn't quite a civilized place.

In that respect, the exterior of the new gallery is a perfect symbol for the state of Canadian arts and letters. Though the facade is exciting, confident and of soaring aspiration, it fronts a monumental bunker whose utilitarian austerity suggests a skimping of both imagination and money. Similarly, behind the energy and ambition that characterize the Canadian artistic community today, there looms the impression of a culture under siege.

The limited market for even the most popular forms of art has led to a tradition of heavy state subsidization, as well as a constant complaint that the money isn't enough.

That complaint has grown louder under the Progressive Conservative government of Brian Mulroney. When Ottawa isn't preoccupied with reducing its spending generally, its priorities have been wheat farmers and nuclear submarines before artists and cultural institutions.

In fact, after the new Gallery had been initiated by the previous Liberal government, it was often singled out as an

example of waste and folly by the same Conservatives now basking in its glory.

More alarming has been the government's tendency to link its financial contributions to its political purposes. Nothing threatens the quality of Canadian culture more than putting party considerations ahead of merit in the bestowing of grants and jobs. Recently, scandals, incompetence and inexperience have damaged such crucial organizations as the national film development agency, the national performing arts center and the main cultural-funding body.

If the struggle against penny-pinching philistinism is nothing new, it has taken on another significance with the free-trade negotiations between Canada and the United States. While the Mulroney government has boasted that it kept culture out of the deal, many worry how long Canada can withstand American demands for unlimited penetration into Canadian publishing, broadcasting and other protected cultural industries. Already Ottawa has had to compromise its film and broadcasting policies in the face of pressure from Washington.

RON GRAHAM is a Canadian journalist and the author of "One-Eyed Kings: Power and Illusion in Canadian Politics."

Canada Cautiously Tries to Be a 'Helpful Fixer' in Central America

By Jonathan Lemco

WASHINGTON — The Canadian government, press and a number of interest groups have recently turned their attention to the role that Canada might play in the Central American peace process.

This is a new phenomenon since recently as 10 years ago, few Canadians knew or cared about it part of the world.

The reasons for this new interest stem from a genuine concern for Central American refugees and an opportunity to target Canadian funds where it can demonstrably improve living conditions to opportunities for business investment in the region and a chance to distinguish Canadian foreign policy from American interests, thereby creating the perception of Canada as an international "good guy" or "helpful fixer."

To understand the growth of this interest, one must understand something about the highly sensitive Canadian view of their continent, and occasionally troubled, relationship with the United States. The relationship has left Canadians with ambivalent feelings of superiority and insecurity. By superiority it is meant that Canadians take great pride in their sensitive social services, their clean cities, the relative lack of violence in their country and, most

It is a chance to distinguish Canadian foreign policy from American interests.

importantly, the extremely good foreign press they receive and the superior reputation they enjoy around the world. This they contrast with the apparent U.S. failings in these areas.

The Canadian sense of insecurity is fostered by the dynamic U.S. economy, the American super-power status, the vibrant American cultural industry, and, most importantly, the sheer dominance of North America that the United States enjoys by virtue of its size, its military capacity, its economy and its large population.

All this is pertinent to Canada's Central America policy because it has allowed Canada to follow a relatively independent policy in the region. Canada can advocate an indigenous solution to Central America's problems. It can offer its advice to a verification commission and its troops to a peace-keeping mission in accordance with the Arias-Contadora-Esquipulas plans. As a result, it has been able to

States, it is unlikely that the government of Prime Minister Brian Mulroney would take a foreign policy action different from the American one if there were a perceived risk to the free trade deal.

Perhaps the sharpest divergence between the United States and Canada on Central America concerns the roots of the conflict. The Kissinger Commission report of 1984 portrayed the conflict as an extension of East-West rivalry.

By contrast, successive Canadian governments since the days of Prime Minister Pierre Elliott Trudeau have viewed the conflict as a result of terrible poverty, uneven distribution of wealth, social injustice and a failure to institute necessary economic and social reforms. Canadians have argued that intervention by the major powers only aggravates the situation.

Canada regards the Arias-Contadora-Esquipulas plans as the only viable means of resolving the conflict. Joe Clark, the secretary of state for external affairs, has endorsed the Caraballeda declaration, the statement of the Contadora nations and the Contadora support group in January 1986 which called for an end to aid to the contras and the resumption of peace talks in Central America.

Canada has provided the Contadora group with comments on the technical aspects of verification. Both European and Central American countries have expressed interest in an increased Canadian role in the peace efforts. Some suggest that since Canada is not regarded with suspicion by the Central American nations, it could act as a bridge between them and the United States. Canada's most substantial contributions might include taking part in an international force to supervise the cease-fire and sending observers to verify that the signatories to the peace treaty

keep their promises. It could also help conduct democratic elections or train local election officials.

However, some suggest that Canada's influence comes less from political expression than from the scores of aid projects undertaken by the Canadian International Development Agency. Between 1982 and 1987, Canada gave more than \$105 million in bilateral aid to Central America, tripling its assistance to the region. It also donated more than \$50 million through nongovernment organizations and multilateral bodies. Canada's greatest constraint in

the region is, of course, its desire to remain on the best of terms with the United States. And it will not pursue policies that diverge too sharply from U.S. interests.

This hampers its credibility among Central Americans and makes it that much more difficult to persuade them that Canada is not a U.S. puppet.

JONATHAN LEMCO is an assistant professor of Canadian Studies and Comparative Politics at the Johns Hopkins University School of Advanced International Studies in Washington.

CONSIDERING AN EDUCATION IN NORTH AMERICA?

- How does your child compare with students in Canada and the U.S.?
- Complete educational assessments pre-school to university levels.
- Intensive short-term English language training also available.
- Services provided as possible anywhere in the world.

LYNN HATFIELD, B.A., B.Ed., M.Ed., SPECIAL EDUCATION SPECIALIST

Twenty Years Experience Assessment, Consulting, Programs

112 Orchard Park Road, Lindsay, Ontario, Canada K9V 5A4. Phone: (705) 324-2759. Fax: (705) 328-2036.

THE UNIVERSITY OF BRITISH COLUMBIA



People from all over North America look to The University of British Columbia for a comprehensive understanding of the Asia Pacific and its peoples. With one out of six faculty involved in some facet of Asia Pacific relations, and exchange agreements with 33 Asian universities, UBC clearly leads Canada in reaching out to the Asia Pacific region.

To learn more about the history and the future of UBC's Asia Pacific ties, send for a copy of "Toward the Pacific Century".

Available from: The Community Relations Office, The University of British Columbia, 207-6328 Memorial Road, Vancouver, B.C., Canada V6T 1W5. Tel.: (604) 228-3131.

LOOKING FOR AN INVESTMENT OPPORTUNITY?

LOOK TO CANADA FBDB — Venture Capital Division.

Venturing in a country can be risky. Venturing in Canada with one of its largest venture capital organizations as a partner, it's a risk you can well afford to take. The Venture Capital Division of the Federal Business Development Bank will introduce you to a thriving economy with a prosperous small business sector that welcomes investors. Our Venture Capital Division can offer you the financial resources and the experience you need to break into a vibrant market place that still offers plenty of room to grow. It can open the door to any number of exciting investment opportunities to co-invest in emerging growth companies in Canada. With a portfolio of more than 60 companies across Canada, a staff of seasoned professionals, 3 strategically located offices in Montreal, Toronto and Vancouver, and a direct line to 16,000 private companies, a partnership with us will help you find the investment opportunity you are looking for.

Consider the advantages. Consider Canada.
Call FBDB Venture Capital Division
Call at: (514) 283-3609 or Facsimile: (514) 283-7675

BACKING INDEPENDENT BUSINESS

Federal Business Development Bank / Banque fédérale de développement



The Partners of
Smith, Lyons, Torrance, Stevenson & Mayer
extend compliments and best wishes
to the Delegates to the
Toronto Economic Summit

SMITH, LYONS, TORRANCE, STEVENSON & MAYER
Barristers & Solicitors

Suite 3400, The Exchange Tower
P.O. Box 420, 2 First Canadian Place
Toronto, Canada M5X 1J3
Telephone: 416-569-7200

TORONTO OTTAWA HONG KONG

CANADIAN IMMIGRATION INVESTMENT FUND

approved by Canadian Government providing landed immigrant status to Canada for qualified investors subscribing for minimum C.\$250,000. Available immediately.

For offering Memorandum, contact: Mr. Martin, Tel: (604) 738-6759, Fax: 604-738-5761.

TRADE ALL CORPORATION
82 LEPAGE COURT
TORONTO, ONTARIO
M3J 1Z9
(416) 865-8985
FAX: (416) 633-4001

Mr. ART SANDERS - PRESIDENT
Specialists in the buying and selling of clearout merchandise worldwide, as well as sourcing internationally.

£ \$ ¥

Vol.	High	Low	Last	Ch.
Occidental	102 1/2	99 1/2	100 1/4	+ 1/4
IBM	102 1/2	99 1/2	100 1/4	+ 1/4
AT&T	102 1/2	99 1/2	100 1/4	+ 1/4
Amgen	102 1/2	99 1/2	100 1/4	+ 1/4
Amgen	102 1/2	99 1/2	100 1/4	+ 1/4
Amgen	102 1/2	99 1/2	100 1/4	+ 1/4
Amgen	102 1/2	99 1/2	100 1/4	+ 1/4
Amgen	102 1/2	99 1/2	100 1/4	+ 1/4
Amgen	102 1/2	99 1/2	100 1/4	+ 1/4
Amgen	102 1/2	99 1/2	100 1/4	+ 1/4

NYSE 4 p.m. volume	34,000,000
NYSE 4 p.m. volume	19,000,000
NYSE 4 p.m. volume	14,000,000
NYSE 4 p.m. volume	12,000,000
NYSE 4 p.m. volume	10,000,000
NYSE 4 p.m. volume	8,000,000
NYSE 4 p.m. volume	6,000,000
NYSE 4 p.m. volume	4,000,000
NYSE 4 p.m. volume	2,000,000
NYSE 4 p.m. volume	1,000,000

High	Low	Close	Ch/Pr
Composite	127.18	127.18	+0.18
Industrial	127.18	127.18	+0.18
Financial	127.18	127.18	+0.18
Energy	127.18	127.18	+0.18
Health	127.18	127.18	+0.18
Technology	127.18	127.18	+0.18
Telecom	127.18	127.18	+0.18
Transport	127.18	127.18	+0.18
Utilities	127.18	127.18	+0.18
Other	127.18	127.18	+0.18

Friday's NYSE Closing
Via The Associated Press

Class	Prev.
Advanced	200.00
Declined	100.00
Unchanged	100.00
Total Issues	100.00

Class	Ch/Pr	Week Ago	Year Ago
Composite	+0.18	+0.18	+0.18
Industrial	+0.18	+0.18	+0.18
Financial	+0.18	+0.18	+0.18
Energy	+0.18	+0.18	+0.18
Health	+0.18	+0.18	+0.18
Technology	+0.18	+0.18	+0.18
Telecom	+0.18	+0.18	+0.18
Transport	+0.18	+0.18	+0.18
Utilities	+0.18	+0.18	+0.18
Other	+0.18	+0.18	+0.18

Vol.	High	Low	Last	Ch.
Amgen	102 1/2	99 1/2	100 1/4	+ 1/4
Amgen	102 1/2	99 1/2	100 1/4	+ 1/4
Amgen	102 1/2	99 1/2	100 1/4	+ 1/4
Amgen	102 1/2	99 1/2	100 1/4	+ 1/4
Amgen	102 1/2	99 1/2	100 1/4	+ 1/4
Amgen	102 1/2	99 1/2	100 1/4	+ 1/4
Amgen	102 1/2	99 1/2	100 1/4	+ 1/4
Amgen	102 1/2	99 1/2	100 1/4	+ 1/4
Amgen	102 1/2	99 1/2	100 1/4	+ 1/4
Amgen	102 1/2	99 1/2	100 1/4	+ 1/4

Class	Ch/Pr
Govt	+0.18
Corp	+0.18
Muni	+0.18
Total	+0.18

Class	Prev.
Advanced	200.00
Declined	100.00
Unchanged	100.00
Total Issues	100.00

Date	Buy	Sell	Shrt
June 16	22,889	21,929	1,960
June 15	22,045	21,085	1,960
June 14	21,101	20,141	1,960
June 13	20,257	19,297	1,960
June 12	19,313	18,353	1,960
June 11	18,369	17,409	1,960
June 10	17,425	16,465	1,960
June 9	16,481	15,521	1,960
June 8	15,537	14,577	1,960
June 7	14,593	13,637	1,960
June 6	13,649	12,697	1,960
June 5	12,705	11,757	1,960
June 4	11,761	10,817	1,960
June 3	10,817	9,873	1,960
June 2	9,873	8,929	1,960
June 1	8,929	7,985	1,960
May 31	8,041	7,097	1,960
May 30	7,103	6,159	1,960
May 29	6,165	5,221	1,960
May 28	5,227	4,283	1,960
May 27	4,289	3,345	1,960
May 26	3,351	2,413	1,960
May 25	2,413	1,481	1,960
May 24	1,473	59	1,960
May 23	59	-135	1,960
May 22	-135	-271	1,960
May 21	-271	-407	1,960
May 20	-407	-543	1,960
May 19	-543	-679	1,960
May 18	-679	-815	1,960
May 17	-815	-951	1,960
May 16	-951	-1,087	1,960
May 15	-1,087	-1,223	1,960
May 14	-1,223	-1,359	1,960
May 13	-1,359	-1,495	1,960
May 12	-1,495	-1,631	1,960
May 11	-1,631	-1,767	1,960
May 10	-1,767	-1,903	1,960
May 9	-1,903	-2,039	1,960
May 8	-2,039	-2,175	1,960
May 7	-2,175	-2,311	1,960
May 6	-2,311	-2,447	1,960
May 5	-2,447	-2,583	1,960
May 4	-2,583	-2,719	1,960
May 3	-2,719	-2,855	1,960
May 2	-2,855	-2,991	1,960
May 1	-2,991	-3,127	1,960
April 30	-3,127	-3,263	1,960
April 29	-3,263	-3,399	1,960
April 28	-3,399	-3,535	1,960
April 27	-3,535	-3,671	1,960
April 26	-3,671	-3,807	1,960
April 25	-3,807	-3,943	1,960
April 24	-3,943	-4,079	1,960
April 23	-4,079	-4,215	1,960
April 22	-4,215	-4,351	1,960
April 21	-4,351	-4,487	1,960
April 20	-4,487	-4,623	1,960
April 19	-4,623	-4,759	1,960
April 18	-4,759	-4,895	1,960
April 17	-4,895	-5,031	1,960
April 16	-5,031	-5,167	1,960
April 15	-5,167	-5,303	1,960
April 14	-5,303	-5,439	1,960
April 13	-5,439	-5,575	1,960
April 12	-5,575	-5,711	1,960
April 11	-5,711	-5,847	1,960
April 10	-5,847	-5,983	1,960
April 9	-5,983	-6,119	1,960
April 8	-6,119	-6,255	1,960
April 7	-6,255	-6,391	1,960
April 6	-6,391	-6,527	1,960
April 5	-6,527	-6,663	1,960
April 4	-6,663	-6,799	1,960
April 3	-6,799	-6,935	1,960
April 2	-6,935	-7,071	1,960
April 1	-7,071	-7,207	1,960
March 31	-7,207	-7,343	1,960
March 30	-7,343	-7,479	1,960
March 29	-7,479	-7,615	1,960
March 28	-7,615	-7,751	1,960
March 27	-7,751	-7,887	1,960
March 26	-7,887	-8,023	1,960
March 25	-8,023	-8,159	1,960
March 24	-8,159	-8,295	1,960
March 23	-8,295	-8,431	1,960
March 22	-8,431	-8,567	1,960
March 21	-8,567	-8,703	1,960
March 20	-8,703	-8,839	1,960
March 19	-8,839	-8,975	1,960
March 18	-8,975	-9,111	1,960
March 17	-9,111	-9,247	1,960
March 16	-9,247	-9,383	1,960
March 15	-9,383	-9,519	1,960
March 14	-9,519	-9,655	1,960
March 13	-9,655	-9,791	1,960
March 12	-9,791	-9,927	1,960
March 11	-9,927	-10,063	1,960
March 10	-10,063	-10,199	1,960
March 9	-10,199	-10,335	1,960
March 8	-10,335	-10,471	1,960
March 7	-10,471	-10,607	1,960
March 6	-10,607	-10,743	1,960
March 5	-10,743	-10,879	1,960
March 4	-10,879	-11,015	1,960
March 3	-11,015	-11,151	1,960
March 2	-11,151	-11,287	1,960
March 1	-11,287	-11,423	1,960
February 29	-11,423	-11,559	1,960
February 28	-11,559	-11,695	1,960
February 27	-11,695	-11,831	1,960
February 26	-11,831	-11,967	1,960
February 25	-11,967	-12,103	1,960
February 24	-12,103	-12,239	1,960
February 23	-12,239	-12,375	1,960
February 22	-12,375	-12,511	1,960
February 21	-12,511	-12,647	1,960
February 20	-12,647	-12,783	1,960
February 19	-12,783	-12,919	1,960
February 18	-12,919	-13,055	1,960
February 17	-13,055	-13,191	1,960
February 16	-13,191	-13,327	1,960
February 15	-13,327	-13,463	1,960
February 14	-13,463	-13,599	1,960
February 13	-13,599	-13,735	1,960
February 12	-13,735	-13,871	1,960
February 11	-13,871	-14,007	1,960
February 10	-14,007	-14,143	1,960
February 9	-14,143	-14,279	1,960
February 8	-14,279	-14,415	1,960
February 7	-14,415	-14,551	1,960
February 6	-14,551	-14,687	1,960
February 5	-14,687	-14,823	1,960
February 4	-14,823	-14,959	1,960
February 3	-14,959	-15,095	1,960
February 2	-15,095	-15,231	1,960
February 1	-15,231	-15,367	1,960
January 31	-15,367	-15,503	1,960
January 30	-15,503	-15,639	1,960
January 29	-15,639	-15,775	1,960
January 28	-15,775	-15,911	1,960
January 27	-15,911	-16,047	1,960
January 26	-16,047	-16,183	1,960
January 25	-16,183	-16,319	1,960
January 24	-16,319	-16,455	1,960
January 23	-16,455	-16,591	1,960
January 22	-16,591	-16,727	1,960
January 21	-16,727	-16,863	1,960
January 20	-16,863	-17,000	1,960
January 19	-17,000	-17,136	1,960
January 18	-17,136	-17,272	1,960
January 17	-17,272	-17,408	1,960
January 16	-17,408	-17,544	1,960
January 15	-17,544	-17,680	1,960
January 14	-17,680	-17,816	1,960
January 13	-17,816	-17,952	1,960
January 12	-17,952	-18,088	1,960
January 11	-18,088	-18,224	1,960
January 10	-18,224	-18,360	1,960
January 9	-18,360	-18,496	1,960
January 8	-18,496	-18,632	1,960
January 7	-18,632	-18,768	1,960
January 6	-18,768	-18,904	1,960
January 5	-18,904	-19,040	1,960
January 4	-19,040	-19,176	1,960
January 3	-19,176	-19,312	1,960
January 2	-19,312	-19,448	1,960
January 1	-19,448	-19,584	1,960
December 31	-19,584	-19,720	1,960
December 30	-19,720	-19,856	1,960
December 29	-19,856	-19,992	1,960
December 28	-19,992	-20,128	1,960
December 27	-20,128	-20,264	1,960
December 26	-20,264	-20,400	1,960
December 25	-20,400	-20,536	1,960
December 24	-20,536	-20,672	1,960
December 23	-20,672	-20,808	1,960
December 22	-20,808	-20,944	1,960
December 21	-20,944	-21,080	1,960
December 20	-21,080	-21,216	1,960
December 19	-21,216	-21,352	1,960
December 18	-21,352	-21,488	1,960
December 17	-21,488	-21,624	1,960
December 16	-21,624	-21,760	1,960
December 15	-21,760	-21,896	1,960
December 14	-21,896	-22,032	1,960
December 13	-22,032	-22,168	1,960
December 12	-22,168	-22,304	1,960
December 11	-22,304	-22,440	1,960
December 10	-22,440	-22,576	1,960
December 9	-22,576	-22,712	1,960
December 8	-22,712	-22,848	1,960
December 7	-22,848	-22,984	1,960
December 6	-22,984	-23,120	1,960
December 5	-23,120	-23,256	1,960
December 4	-23,256	-23,392	1,960
December 3	-23,392	-23,528	1,960
December 2	-23,528	-23,664	1,960
December 1	-23,664	-23,800	1,960

ECONOMIC SCENE

Turf Battle for Securities: Will the Public Be Served?

By PETER PASSELL
New York Times Service
NEW YORK — With friends in high places at the Federal Reserve, who needs to deal with enemies on Capitol Hill? Fresh from a court victory affirming the Fed's authority to redraw the map in the securities business, bankers are understandably reluctant to settle for rymandering by Congress.

Mr. Litan estimates that Glass-Steagall's barriers to competition create a windfall of \$1 billion a year for securities underwriting. But legislation to promote competition while insulating insured deposits from added risk has proved elusive.

The Supreme Court decision this week changed everyone's calculations.

Face-Off At Texaco Meeting

Icahn Says He Might Raise Bid

Compiled by Our Staff From Dispatches
TULSA, Oklahoma — The investor Carl C. Icahn, in a final appeal for support from Texaco shareholders at an annual meeting, said Friday he would consider raising his \$14.5 billion takeover bid for the oil giant if management asked him to do so.

"If they came back and asked for more, maybe we'd talk about it," Mr. Icahn said in response to a question from a Texaco shareholder. He did not elaborate.

The meeting was the deadline for votes in a proxy fight between Mr. Icahn and the oil company. Mr. Icahn, who holds 14.8 percent of Texaco, is running along with four allies for five seats on Texaco's 14-member board, against a slate selected by management.

Mr. Icahn is seeking the seats to pressure the company to allow stockholders to vote on his offer of \$60 a share for Texaco.

The company's stock fell \$1.375 to \$48 a share Friday in massive trading on the New York Stock Exchange.

Texaco's president and chief executive, James Kinman, said after the meeting that his advisors believed the company had won the proxy battle. "We think it's close," he said.

Neil Call, executive vice president of D.P. King and Co., the proxy agent for Mr. Icahn, dismissed Mr. Kinman's prediction. "It's too close to call," he said. A final tally is not expected for several weeks.

At the meeting, Texaco's chairman, Alfred C. DeCane Jr., defended the oil company's \$5.6 billion corporate restructuring plan and attacked Mr. Icahn's takeover offer as a "bear-hug" proposal that presents "a stark and negative contrast" with the restructuring.

Mr. Icahn asserted that management was running the company for itself rather than shareholders. "This management does not want to lose its position and its prerogatives," he said.

"As this proxy fight goes, I think corporate governance goes," he said. "You are standing here at one of the most important crossroads of our nation's economic history."

(Reuters, AP, UPI)

Pact Splits U.S. Computer Industry

Chip Makers Are Pleased; Users Are Panicking

By Robert A. Rosenblatt
Special to the Herald Tribune
WASHINGTON — Some powerful American computer and electronics companies, angry over the soaring prices and shortages of memory chips, have begun a campaign against the U.S.-Japanese agreement that sets floor prices for semiconductors.

The protest marks the first formal break in the ranks of U.S. high technology companies, many of which have strongly supported the 1986 agreement aimed at stopping Japanese companies from "dumping" chips in the U.S. market at below-cost prices and undercutting U.S. chip producers.

Companies that make computers, videocassette recorders, answering machines and other electronic products are now "desperate" for a stable and economical supply of basic memory chips, says Richard Bernhardt, Atari Corp.'s coordinator of government affairs.

The semiconductor agreement, under which Japanese companies cannot charge less than "fair market value," has helped create a marketplace that is "stifled and artificially inflated," he said.

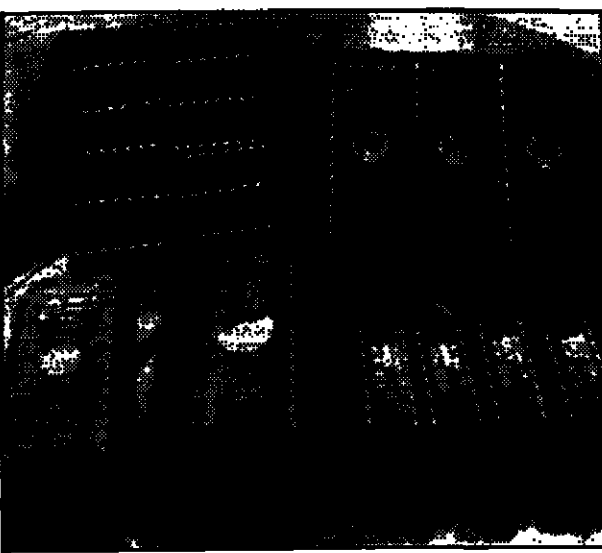
Mr. Bernhardt said that one popular semiconductor that cost \$2 before the agreement was signed now costs between \$6 and \$8. Some companies that are face shortages are paying as much as \$10.

Atari wants the accord canceled and a less rigid one developed that protects the hundreds of companies using computer chips as well as the handful of U.S. chip producers, he said.

Atari and other leading electronics companies, including Tektronix Inc., Apple Computer, Tandem Computer and Compaq Computer, have been holding meetings in Washington to lay the foundation for a new high-technology group that would aggressively promote the interests of chip users. Some other companies that have not been involved directly in the meetings have monitored the discussions and are prepared to support the new organization.

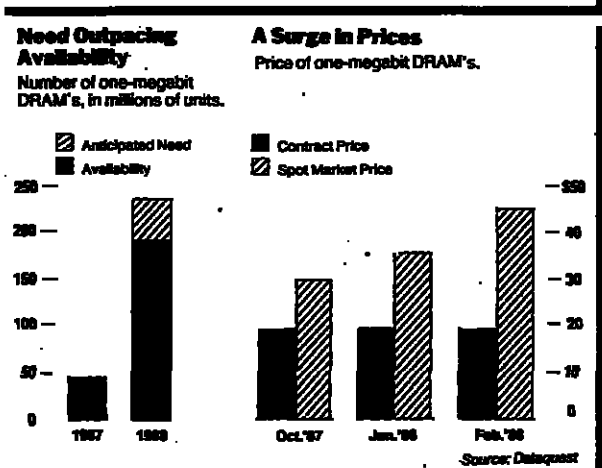
The grumbling about rising chip prices, once confined mainly to industry circles, now seems headed for a highly visible forum in federal agencies and in Congress.

The grumbling about rising chip prices, once confined mainly to industry circles, now seems headed for a highly visible forum in federal agencies and in Congress.



Semiconductors on display at a Tokyo appliance store.

Short Supply Pushes Chip Prices Up



Source: Dataquest

Tektronix fired the opening salvo of that campaign with a letter to Commerce Secretary William C. Verity, saying the price floor system "should be terminated, and free markets for semiconductors restored."

The Commerce Department administers the agreement. Any changes would require renegotiation between the department and Japanese officials.

Roger Majak, Tektronix's Washington representative, said in the June 7 letter, a copy of which was obtained by The Los Angeles Times, that "prolonged government intervention in semiconductor markets and prices only encourages cartel-like behavior by both Japanese and U.S. producers."

The agreement had been designed to protect the dwindling American semiconductor industry by providing safeguards against dumping and by pressuring Japan to open its markets to U.S.-made products. It has been backed strongly by the Semiconductor Industry Association, whose members make the chips, and by the American Electronics Association, the huge high-technology trade association that includes both producers and users.

Under the agreement, Commerce Department specialists monitor Japanese companies and set a minimum "fair market value" that can be charged for their chips in the United States. The value is defined as the cost of production plus an 8 percent profit.

The price system also applies to Japanese sales in other countries that import chips, so that the agreement will call for

Cerus, Fighting For Générale, Sets Rights Issue

By Jacques Neher
Special to the Herald Tribune

PARIS — Carlo de Benedetti, the Italian financier, said Friday that his French holding company, Cerus SA, would issue 5.5 billion francs (\$932.60 million) in stock and convertible bonds to finance his group's 47 percent stake in Société Générale de Belgique SA.

A Cerus spokesman said the company could seek another 2 billion francs from shareholders next year "if there is no solution" to the conflict that has prevented Mr. de Benedetti from having a say in the management of Générale, Belgium's largest company.

Analysts said the recapitalization, comprising a rights issue of 4 billion francs and convertible bonds of 1.5 billion francs, would strengthen Cerus's balance sheet and demonstrate Mr. de Benedetti's resolve to "dig in" for a long battle.

The funds raised by the equity and bond offering would allow Cerus to pay off loans taken out to purchase Générale shares and to buy out Cerus allies holding Générale stock. It may also be applied to new acquisitions.

Mr. de Benedetti also said that he would try to block a possible attempt to name Hervé de Carmoy as executive director of Générale at that company's shareholders meeting, set for Tuesday.

In a newspaper interview Thursday, Etienne Davignon, a Générale director, said that Mr. de Carmoy, a former head of global banking for Midland Bank PLC, was likely to be named to the new post.

Mr. de Benedetti and his allies were prevented from taking seats on Générale's board at a special shareholders meeting on April 14, thwarting their three-month battle with a rival French-Belgian group for control of the large Belgian holding company.

"The situation today is blocked, and Société Générale de Belgique can't be managed under proper conditions," Mr. de Benedetti told Cerus shareholders, adding that legal proceedings were continuing in the interest of protecting Cerus's investment.

Mr. de Benedetti said the equity offering, set for the end of July pending approval by Paris Bourse authorities, would give Cerus the means to buy out the 20 percent

block of Générale shares held by Cerus's allies.

Analysts said those allies were likely to grow impatient with their holdings the longer the battle dragged out.

Ain Minc, general manager of Cerus, said the holding company and its allies had spent about 9 billion francs for Générale's shares since the takeover battle began in January.

The new capital, Mr. de Benedetti said, also will give Cerus "true freedom of action" to make new investments. Potential targets are in the automotive industry and luxury goods business, where Cerus already has major stakes in Valeo and Yves Saint Laurent SA.

Mr. de Benedetti said his Italian holding company, CIR SpA, would buy up to 3 billion francs worth of the new shares if they are not subscribed to by other current Cerus shareholders.

If it bought 3 billion francs of the shares, CIR would increase its 40 percent stake in Cerus to 60 percent.

Andrew Bell, an analyst with Phillips & Drew, the London brokerage house, said the guarantee by CIR greatly improved the chances of a successful share offering.

He noted that CIR was flush with cash following the recent sale of its majority interest in Buitoni SpA to Nestlé SA of Switzerland for 1.6 trillion lire (\$1.23 billion).

The Cerus spokesman said that Union Des Assurances de Paris, which holds 8 percent of Cerus's stock, and Banque Nationale de Paris, which has 4 percent, already have indicated they would subscribe to the new shares.

BNP will serve as lead manager for the Cerus offering.

Currency Rates

Table with columns for currency, rate, and date. Includes entries for London, Tokyo, Zurich, and other centers.

slips in London, Tokyo and Zurich, besides in other centers. New York closing rates, commercial franc: 2; To buy one dollar: 1; Units of 100; M.G.: not available.

Forward Rates

Table with columns for currency, rate, and date. Includes entries for 30-day, 60-day, 90-day, and 180-day rates.

Yield rates unless marked (focal rate).

Source: Reuters and A.P.

Interest Rates

Table with columns for currency, rate, and date. Includes entries for 3-month, 6-month, and 1-year rates.

Source: Reuters and A.P.

Asian Dollar Deposits

Table with columns for currency, rate, and date. Includes entries for 1-month, 3-month, 6-month, and 1-year rates.

Source: Reuters.

U.S. Money Market Funds

Table with columns for fund name, rate, and date. Includes entries for Merrill Lynch Ready Assets and T. Rowe Price.

Source: Merrill Lynch, T. Rowe Price.

Gold

Table with columns for currency, rate, and date. Includes entries for Hong Kong, London, and New York.

Source: Reuters.

Construction Of Housing Slides in U.S.

The Associated Press
WASHINGTON — Starts on housing construction plummeted 12.2 percent in May, the steepest drop in five months, the Commerce Department said Friday.

The department said that starts on construction activity fell to a seasonally adjusted annual rate of 1.38 million units in May, the 2,000 lowest since January, when 2,000 fewer units were begun.

It was the steepest drop since December, when housing starts fell 15.8 percent. They fell again in January, by 1.2 percent, before rising 9.9 percent in February, 0.7 percent in March and 3.1 percent in April.

The size of the May decline surprised analysts, who had expected only a modest reduction because of rising mortgage interest rates.

Rates on 30-year, fixed-rate mortgages climbed from 10.05 percent at the start of April to 10.58 percent at the end of May, according to the Federal Home Loan Mortgage Corp. They eased slightly in the beginning of June.

Some analysts had said the growing popularity of adjustable rate mortgages curbed the effect of rising long-term rates.

Economists watch housing activity closely because it often indicates the direction of the economy as a whole.

"If we got two, three, four months of back-to-back declines, then it would give plenty of reason for concern," said John Sevareol, an economist with the Welfa Group forecasting service in Bala-Cynwyd, Pennsylvania. "I expect to see some sort of recovery in June and July."

Construction of single-family homes dropped 9.2 percent in May to a seasonally adjusted annual rate of 988,000. That followed a 7.2 percent decline. Single-family starts have not been lower since August 1984, when they totaled 967,000 on an annual basis.

Construction of multi-unit dwellings fell 18.9 percent to a seasonally adjusted rate of 396,000 units in May following a 36.7 percent advance in April. This sector has been in the doldrums for more than a year because of high vacancy rates and changes in the tax law that made investment in rental housing less profitable.

Housing permits, considered a good sign of future construction activity, declined 1.5 percent in May, following a 1.8 percent decline in April.

Rattled About Rates, Markets Brace for Summit

By Warren Getler
International Herald Tribune

LONDON — Fears of accelerating inflation and the prospect of higher interest rates preoccupied world financial markets on Friday, the last full day of major global trading before the economic summit meeting in Toronto.

The uncertain climate for the seven-nation conference that opens Sunday results partly from a barrage of economic indicators this week pointing to soaring consumer demand in Japan and Britain.

Inflationary pressures in West Germany, particularly a swelling in the money supply, have also been highlighted this week.

Banking sources in Frankfurt say the Bundesbank was likely to guide money-market interest rates higher in the coming week. Market sources and some news reports claim the Bundesbank will call for

tenders on securities repurchase agreements Tuesday at a fixed rate of 3.50 percent. The central bank has maintained the rate on such agreements at 3.25 percent since November 1987. A Bundesbank spokesman would not comment on the reports.

The unexpectedly strong economic growth in the United States and Japan, as well as in West Germany itself, provides room for West German interest rates to edge higher, some West German economists say.

West Germany's gross national product grew at an inflation-adjusted annual rate of 4.2 percent in the first quarter of 1988, exceeding all expectations.

Taking interest rates higher would serve to dampen enthusiasm for the dollar and bolster the Deutsche mark. It would also be intended to slow West German money supply growth, which has been well above target for the past two years.

In May, West Germany's M-3 money supply, the broadest measure of monetary growth, expanded at an annual rate of 7.3 percent, well beyond the target range of annual growth between 3 percent and 6 percent.

In the United States, prospects for further increases in U.S. grain and other commodity prices as a result of a severe drought in the South and Middle West also appear to be contributing to inflationary pressures.

Nigel Lawson, the British chancellor of the Exchequer, has voiced concern about the rate of consumer demand in the United States and its inflationary potential.

Financial markets are concerned that the Group of Seven industrial nations, whose leaders will be meeting in Toronto, have not heeded signals that their economic en-

Australian Trade Deficit Widens to \$953.9 Million

Compiled by Our Staff From Dispatches

CANBERRA, Australia — Australia's current-account deficit widened to 1.18 billion Australian dollars (\$953.92 million) in May, from 425 million dollars in April, the government said Friday.

The Australian Bureau of Statistics said the latest monthly figure compared with 880 million dollars in May 1987. But the cumulative deficit for the first 11 months of the fiscal year ending June 30 fell to 10.24 billion dollars from 12.39 billion dollars in the comparable period last year.

The shortfall was the highest since a deficit of 1.25 billion dollars in October 1987, and it far exceeded market expectations of a 700 million to 800 million dollar gap.

But the figure does not accurately reflect Australian economic performance, analysts said, and it did not have much impact on the financial markets. In Sydney, the Australian dollar rose to 81.25 U.S. cents from 80.20 cents on Thursday after banks raised lending rates.

Economists blamed a 148 million dollar merchandise trade shortfall — exports fell 1 percent and imports rose 18 percent from April — for the poor result. But they said the import figure was not as bad as it seemed because many of the purchases were of capital equipment and machinery for industry.

(AFP, Reuters)



"A good private address and a good bank address go hand in hand."

Beat Sarasin General Partner

Advertisement for Bank Sarasin & Co. featuring a logo and text: 'Bank Sarasin & Co. Bosle / Zurich. Specialists in investment management.'

Bank Sarasin & Co., Freie Str. 107, 4002 Basle. Bank Sarasin & Co., Talstr. 66, 8022 Zurich. Sarasin Investment Management Limited, Sarasin House, 5/6 St. Andrew's Hill, London EC4V5BY.

Advertisement for Value Line Investment Survey: 'VALUE LINE brings COMPREHENSIVE COVERAGE of 1700 AMERICAN STOCKS to European Investors. The Value Line Investment Survey continually reviews more than 1700 widely held American stocks...'

Fridays NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High	Low	Stock	Div. Yld. PE	52 Week High	Low	Close	Chg.
18 1/2	17 1/2	IBM	4.2 18	185 1/2	175 1/2	180 1/2	+1 1/2
23 1/2	22 1/2	AT&T	5.2 15	23 1/2	22 1/2	23 1/2	+1 1/2
11 1/2	10 1/2	GE	4.2 12	11 1/2	10 1/2	10 1/2	+1 1/2
10 1/2	9 1/2	IBM	4.2 18	10 1/2	9 1/2	9 1/2	+1 1/2
10 1/2	9 1/2	IBM	4.2 18	10 1/2	9 1/2	9 1/2	+1 1/2

(Continued)

12 Month High	Low	Stock	Div. Yld. PE	52 Week High	Low	Close	Chg.
10 1/2	9 1/2	IBM	4.2 18	10 1/2	9 1/2	9 1/2	+1 1/2
10 1/2	9 1/2	IBM	4.2 18	10 1/2	9 1/2	9 1/2	+1 1/2

U.S. Insurance Officials Expected to Back Bill On Rental Car Damage

New York Times Service

NEW YORK — Insurance commissioners from 50 U.S. states are expected to endorse legislation requiring that car-rental companies, rather than consumers, be responsible for paying for repairs to damaged rental cars.

The commissioners, in New York for their annual meeting, are expected to propose a model bill that they hope to have introduced in state legislatures nationwide.

Under the bill, car-rental companies such as Avis, Hertz, National and Budget would no longer be permitted to charge drivers who return a damaged car. In addition, the companies could no longer sell pay-by-the-day collision insurance contracts, known in the industry as collision damage waiver contracts.

While the proposal would make rental companies responsible for the full cost of collision repairs, it would also permit them to pass on this added cost to consumers in the form of higher basic rental rates.

Nonetheless, representatives of the commissioners contend Thursday that the measure would benefit most motorists.

"We hope they will pay less in overall rental charges, and we think this will eliminate a lot of confusion," said William H. McCartney, chairman of the National Association of Insurance Commissioners' panel on car-rental insurance.

The commissioners are addressing the issue because of a growing belief even by the car-rental companies themselves that many customers are covered by private auto policies and some are needlessly buying rental collision insurance.

In the last few years, the price of collision coverage has risen to as much as \$13.95 a day, in some cases nearly doubling the price of the rental car. For some companies, the insurance has become a source of profit. Few if any companies buy insurance with the money they simply keep it and hope the motorist will not damage the car.

Collision insurance "has been abused by some rental companies, and for some car renters it is unnecessary," said Michael Olsen, a spokesman for National Car Rental Systems Inc. of Minneapolis.

Joseph Russo, spokesman for Hertz Corp., said: "We're all in favor of anything that moves in the direction of eliminating the collision damage waiver. There's too much deception, coercion and intimidation in the car-rental business in the sale of the CDW."

Still, many customers refuse to buy collision protection, so the proposed bill could mean higher basic rates for them. Business travelers, for instance, hardly ever buy collision protection because they are covered by employers.

Company representatives said it was difficult to determine how much basic rates would rise if the companies paid for collisions.

The National Association of Attorneys General is also expected soon to issue a proposal for abolishing waiver contracts. In California, lawmakers are considering such a bill.

Valero in Talks On Refinery Sale

Reuters

HOUSTON — William E. Greehey, the chairman of Valero Energy Corp., said Friday his company was negotiating the possible sale of an interest in a Texas refinery with three separate oil-producing countries.

The refinery, in Corpus Christi, is designed to turn low-grade, residual oil, known as "resid," into unleaded gasoline. It has a capacity of slightly more than 100,000 barrels a day. The company valued the facility at \$650 million.

Mr. Greehey would not identify the potential buyers, but he said that Venezuela, Mexico and Saudi Arabia were seeking U.S. assets.

Kirwait also is in the market, he said, "but they want to buy something 100 percent, so we wouldn't have any interest in that."

On Thursday, Saudi Arabia and Mexico Inc. announced an agreement under which the kingdom would buy a half-interest in the oil company's refineries and service stations in the eastern and southern United States for \$800 million.

Three bidders included in that deal have a combined capacity of 615,000 barrels of crude a day.

Mr. Greehey said the Valero refinery was posting an operating profit, but the debt on the facility has been a problem for the company.

Its profits also depend heavily on price differences between residual and crude oil and on unleaded gasoline demand. At present, Mr. Greehey said, residual costs about 85 percent of crude, so margins are good.

He predicted that in the next several years, the spread between crude and residual would grow even larger because of growing residual supplies.

"All the studies indicate that the world is going to be swash in residual, so it will sell at a deep discount to crude," Mr. Greehey said.

"I think the refinery is going to make a hell of a lot of money. We're looking at a good window for the next seven to eight years," he said.

NYSE Highs-Lows

NEW HIGHS	NEW LOWS
IBM	IBM
AT&T	AT&T
GE	GE

U.S. Futures

Via The Associated Press

Session	Session	Open	High	Low	Close	Chg.
WHEAT (CBT)	2000 lbs. - cents per bushel	177 1/2	178 1/2	177 1/2	177 1/2	+1/2
SOYBEAN (CBT)	5000 lbs. - cents per bushel	27 1/2	27 1/2	27 1/2	27 1/2	+1/2
CORN (CBT)	5000 lbs. - cents per bushel	22 1/2	22 1/2	22 1/2	22 1/2	+1/2

Grains

WHEAT (CBT)	SOYBEAN (CBT)	CORN (CBT)
177 1/2	27 1/2	22 1/2
178 1/2	27 1/2	22 1/2
177 1/2	27 1/2	22 1/2

Livestock

CATTLE (CME)	HOGS (CME)	PORK (CME)
74 1/2	54 1/2	74 1/2
75 1/2	55 1/2	75 1/2
74 1/2	54 1/2	74 1/2

Currency Options

Philadelphia Exchange	Options	Underlying	Price	Chg.
USD	Call	USD	1.12	+1/2
EUR	Call	EUR	1.12	+1/2

London Commodities

SUGAR	COFFEE	COCOA
28 1/2	112 1/2	112 1/2
29 1/2	113 1/2	113 1/2
28 1/2	112 1/2	112 1/2

London Metals

ALUMINUM	COPPER	ZINC
112 1/2	112 1/2	112 1/2
113 1/2	113 1/2	113 1/2
112 1/2	112 1/2	112 1/2

Paris Commodities

SUGAR	COFFEE	COCOA
28 1/2	112 1/2	112 1/2
29 1/2	113 1/2	113 1/2
28 1/2	112 1/2	112 1/2

DM Futures

Via The Associated Press

Session	Session	Open	High	Low	Close	Chg.
DM	DM	1.12	1.12	1.12	1.12	+1/2

Food

COFFEE (NYMEX)	SOYBEAN MEAL (CBT)
112 1/2	27 1/2
113 1/2	27 1/2
112 1/2	27 1/2

Metals

COPPER (COMEX)	ALUMINUM (COMEX)
112 1/2	112 1/2
113 1/2	113 1/2
112 1/2	112 1/2

Stock Indexes

SP COMP. INDEX (CME)	NYSE COMP. INDEX (NYSE)
263 1/2	263 1/2
264 1/2	264 1/2
263 1/2	263 1/2

Commodity Indexes

Moody's	D. Futures	Com. Research
112 1/2	112 1/2	112 1/2
113 1/2	113 1/2	113 1/2
112 1/2	112 1/2	112 1/2

Market Guide

US TREASURY BONDS (CBT)

10 Year	15 Year	20 Year
112 1/2	112 1/2	112 1/2
113 1/2	113 1/2	113 1/2
112 1/2	112 1/2	112 1/2

DM Futures Options

Call	Put
1.12	1.12
1.13	1.13
1.12	1.12

S&P 100 Index Options

Call	Put
112 1/2	112 1/2
113 1/2	113 1/2
112 1/2	112 1/2

Stock Indexes

SP COMP. INDEX (CME)	NYSE COMP. INDEX (NYSE)
263 1/2	263 1/2
264 1/2	264 1/2
263 1/2	263 1/2

Commodity Indexes

Moody's	D. Futures	Com. Research
112 1/2	112 1/2	112 1/2
113 1/2	113 1/2	113 1/2
112 1/2	112 1/2	112 1/2

Market Guide

US TREASURY BONDS (CBT)

10 Year	15 Year	20 Year
112 1/2	112 1/2	112 1/2
113 1/2	113 1/2	113 1/2
112 1/2	112 1/2	112 1/2

DM Futures Options

Call	Put
1.12	1.12
1.13	1.13
1.12	1.12

S&P 100 Index Options

Call	Put
112 1/2	112 1/2
113 1/2	113 1/2
112 1/2	112 1/2

Stock Indexes

SP COMP. INDEX (CME)	NYSE COMP. INDEX (NYSE)
263 1/2	263 1/2
264 1/2	264 1/2
263 1/2	263 1/2

Commodity Indexes

Moody's	D. Futures	Com. Research
112 1/2	112 1/2	112 1/2
113 1/2	113 1/2	113 1/2
112 1/2	112 1/2	112 1/2

Market Guide

US TREASURY BONDS (CBT)

10 Year	15 Year	20 Year
112 1/2	112 1/2	112 1/2
113 1/2	113 1/2	113 1/2
112 1/2	112 1/2	112 1/2

DM Futures Options

Call	Put
1.12	1.12
1.13	1.13
1.12	1.12

S&P 100 Index Options

Call	Put
112 1/2	112 1/2
113 1/2	113 1/2
112 1/2	112 1/2

FOUNDUP
Brochure

111
TOP

Bom

Save

or more of
subscribe for 12 m
The keys

Save

or more of
subscribe for 12 m
The keys

Save

or more of
subscribe for 12 m
The keys

Save

10/10/88

Business Roundup

Centaur Broaches Bid for Pennwalt

Reuters
NEW YORK — Centaur Partners Friday would consider a takeover of Pennwalt at a "significant premium" market price of the company, which has risen sharply, Pennwalt spokesman in Philadelphia, where the company is refused to respond to Centaur's bid, but he said "negotiations have been exploratory and no firm offer has been made." Pennwalt spokesman in Philadelphia described its plans in a hurry to Edwin E. Tuttle, chairman of Pennwalt. The same day after Centaur said it had purchased 750,000 shares, or about 10 percent, in the chemical products and precision instrument maker.

14 Arab Air Carriers Unite To Purchase Up to 220 Jets

The Associated Press
KUWAIT — Fourteen Arab air carriers and five financial institutions have agreed to form a consortium to buy up to 220 new planes, the chairman of Kuwait Airways Corp., Ahmed Mishari, has said. Mr. Mishari said Thursday that 50 of the new aircraft would be needed to meet expansion plans while the other 170 would replace aging aircraft. He said the venture was prompted in large part by the aggressiveness of foreign airlines that sought to control the Arab market. Studies by the consortium showed a need for the aircraft by the year 1995, he said.

IPS: Industry Splits

Reuters
NEW YORK — The stock price of Intermedics Inc., a manufacturer of cardiac pacemakers and orthopedic implants, jumped Friday after the Texas-based company agreed to be acquired by Sulzer Brothers Ltd. of Switzerland for \$43 a share or about \$800 million. Intermedics rose \$6.375 to close at \$42.125 on the New York Stock Exchange.

Bond Secures Bell Funding

Compiled by Our Staff From Dispatches
PERTH, Australia — Bond Corp. Holdings Ltd. said Friday it had accepted offers from Midland Bank PLC and Hongkong & Shanghai Banking Corp. to fund its proposed \$20 million Australian dollar (\$420.37 million) takeover of Bell Group Ltd. Bond, which is controlled by the entrepreneur Alan Bond, did not provide details of the financing for its 2.70 dollar-a-share bid for the 60 percent of Bell not held by the company and by the Western Australian State Government Insurance Commission. Bond's bid for the remainder of

Pennwalt said it concluded that the potential of the pharmaceutical division might be more fully and rapidly realized if combined with a larger pharmaceutical enterprise. Talks on the sale with a "limited number of potential purchasers" are under way.

Pennwalt said it has made no decision on the sale of its pharmaceuticals or equipment businesses. In 1987, the pharmaceutical division had sales of \$129.3 million and earnings of \$20.3 million, while the equipment division had sales of \$167.1 million and earnings of \$15.3 million. Total Pennwalt sales were \$1.14 billion and earnings were \$138.3 million.

The company spokesman said the proposed sales were not being made in response to moves by Centaur and had been under consideration for several months. Centaur includes Estin Aboud Equities L.P., a limited partnership in the state of Maryland, and Butler Comiteau Associates L.P. and M.L.C. Partners II L.P., both of which are general partnerships in Delaware.

Stock in Intermedics Rises on Sulzer Pact

Reuters
NEW YORK — The stock price of Intermedics Inc., a manufacturer of cardiac pacemakers and orthopedic implants, jumped Friday after the Texas-based company agreed to be acquired by Sulzer Brothers Ltd. of Switzerland for \$43 a share or about \$800 million. Intermedics rose \$6.375 to close at \$42.125 on the New York Stock Exchange.

Bond Secures Bell Funding

Compiled by Our Staff From Dispatches
PERTH, Australia — Bond Corp. Holdings Ltd. said Friday it had accepted offers from Midland Bank PLC and Hongkong & Shanghai Banking Corp. to fund its proposed \$20 million Australian dollar (\$420.37 million) takeover of Bell Group Ltd. Bond, which is controlled by the entrepreneur Alan Bond, did not provide details of the financing for its 2.70 dollar-a-share bid for the 60 percent of Bell not held by the company and by the Western Australian State Government Insurance Commission. Bond's bid for the remainder of

Saatchi Bids for Gartner, A U.S. Data Services Firm

Reuters
LONDON — Saatchi & Saatchi Co. PLC, the British-based international advertising group, said Friday it was launching a tender offer for Gartner Group Inc. that values the U.S. information and data supplier at \$77.4 million. It said that Gartner's board had approved the offer, which amounts to \$22.50 per share. Saatchi also announced that it planned to raise £176.5 million (\$316.2 million) through a rights issue of preference shares. The money will be used to fund acquisitions in the consulting and communications sector, beginning with the Gartner takeover, Saatchi said. The balance of the funds will be used for investment in the money markets or for reducing short-term debt. Saatchi's stock fell 33 pence after the announcement to close at 370 pence a share on the London Stock Exchange. The British company said it had received irrevocable acceptances from stockholders representing 30.8 percent of Gartner's shares, including the company's chairman, Gideon I. Gartner. The offer for Gartner is conditioned on receipt of a majority of Gartner shares on a fully diluted basis and the approval of Saatchi shareholders. Remaining shares would be acquired in a merger at the same price, Saatchi said. "Gartner will form part of Saatchi's external information consulting service line, providing clients with competitive market-place information," the British advertising conglomerate said. Gartner provides information services to vendors and users of technology-related products and services. It reported a pretax profit of \$3.8 million in the year ended March 31 on revenue of \$40 million, and Saatchi said the company's profit is expected to climb to \$7 million in the current fiscal year. Regarding the rights issue, Saatchi said that the cash call was being made on the basis of one preference share for each ordinary share held; 18.71 preference shares for every 100 convertible preference shares; and 24.65 preference shares for every 100 nominal shares of loan stock held. The new preference shares can be redeemed for convertible preference shares beginning in 2003. Following completion of the acquisition, the rights issue, and appropriate adjustments, the Saatchi said, its net tangible assets will amount to £103.8 million.

Philippine Profits Tripled In '87 as Sales Grew 10.6%

Reuters
MANILA — Profits of major corporations tripled in the Philippines in 1987, the government reported Friday, with sales advancing 10.6 percent after a two-year decline. The Securities and Exchange Commission's review of 1,000 major companies said that five of the 10 leading profit makers and six of the 10 biggest in sales were owned or controlled by the government. Combined net profits of the 1,000 companies tripled to 23.7 billion pesos (\$1.13 billion) from 7.6 billion pesos in 1986. Gross sales climbed 10.6 percent to 427.4 billion pesos from 386.6 billion. The commission said that consumption fueled an economic recovery in the Philippines last year, with the nation's gross national product expanding by 5.7 percent. The most profitable company was San Miguel Corp., the state-controlled brewer, foods and packaging conglomerate, which saw net earnings rise 3.6 percent to 1.76 billion pesos. Philippine Long Distance Telephone Co. ranked second with a 1987 net income of 1.36 billion pesos, down 28 percent from 1986. Leading in sales was state-owned National Power Corp., the bulk supplier of electricity in the Philippines, which saw revenue climb 24 percent to 19.16 billion pesos. It was followed by Petron Corp., the government-owned oil importer and gasoline retailer, which reported 17.56 billion in sales. Petron was formed by a merger of two companies that had combined revenue of 22.73 billion pesos in 1986. A spokesman for the Securities and Exchange Commission attributed much of the sales and profit gains to improved confidence among businessmen and investors. Another factor was a sharp improvement in management and operations at the state-controlled Philippine National Bank and Development Bank of the Philippines. The two banks posted a combined net profit of 1.78 billion pesos in 1987 against a loss of 6.14 billion pesos in 1986. Philippine National Bank ranked third in net profit and Development Bank ranked fifth after topping the 1986 list of companies posting the biggest losses. (Reuters, AFP)



Maurice, right, and Charles Saatchi, founders of the firm.

Study Predicts Drop in Swiss Banks' 1988 Profits

Reuters
ZURICH — Switzerland's major banks are likely to report profit declines of up to 10 percent for 1988 as a result of the October market collapse, according to a study published Friday. The study by researchers at Bank Julius Baer said the medium-term outlook for the five major Swiss banks was brighter and that profits should improve again in 1989. The author of the study, Hans Kaufmann, said profits for the major banks as a group could fall by an average of about 6 percent this year, then rise by 7 to 8 percent in 1989. His forecasts for declared 1988 per-share profit ranged from a decline of 4.7 percent for Swiss Volksbank to a fall of 10.2 percent for Bank Len. Swiss banks hold substantial hidden reserves, however, and their real profits are considerably higher than declared. The largest three — Union Bank of Switzerland, Swiss Bank Corp. and Credit Suisse — all reported declines of about 3 percent in 1987 net profit. They attributed the drop to the market collapse, the weakness of the dollar and pressure on margins. The study said shares of the major banks currently were undervalued and represented a good long-term buy. On the outlook for the next three to five years, the study

H.K. Telecom Posts Net Profit Of \$383 Million

Reuters
HONG KONG — Hong Kong Telecommunications Ltd., the product of a merger in January, reported net profit for the year ended March 31 of 2.99 billion Hong Kong dollars (\$383 million). The company was formed in January through a merger of Hong Kong Telephone Co. Ltd. and Cable & Wireless Ltd., and the profits reflect the earnings picture of both companies. The chief executive, Michael Gale, said Hong Kong Telecom was in a strong financial position and planned to invest 2.4 billion dollars on expansion. Mr. Gale said Hong Kong Telecom's major shareholders, Cable & Wireless PLC and the Hong Kong government, would be unlikely to sell any shares before a planned international placement in September. In May, C&W sold 10 million shares, worth about \$8 million, to China's Guangdong Posts & Telecommunications Bureau for an undisclosed sum. The study said the average price-earnings ratio for the big banks on the basis of estimated inflation-adjusted 1988 profits at seven, close to their 1974 lows. Current price levels took account of the likely decline in 1988 profits, but failed to reflect the brighter medium-term outlook for banks. "We regard the current low price level as a promising buy opportunity," the study said.

Taiyo Kobe Buys Into BSI

Reuters
TOKYO — Taiyo Kobe Bank Ltd., Japan's eighth-largest banking group, said Friday it had agreed to buy 11 percent of Banca della Svizzera Italiana in Lugano for 100 million Swiss francs (\$72 million). Taiyo Kobe will send an executive to join the board of BSI, but the Japanese bank said it did not plan to seek control. The move will mark Taiyo Kobe's first capital link with a major commercial bank abroad, officials said. Taiyo Kobe said that BSI solicited the purchase because the banks had a close relationship. In early May, Irving Bank Corp. sold 39 percent of BSI to Unigestion SA for \$390 million as a defensive measure in seeking to fend off an unwanted takeover offer. BSI, in a statement, said the certificates purchased by Taiyo Kobe, representing 8.63 percent of issued capital, were purchased from Unigestion. The study said the major banks had easily absorbed losses on their own share portfolios after the Oct. 19 stock market collapse, but that they could suffer this year because of a decline in the volume of share trading by their customers. Commissions on buying and selling for clients is an important source of income for the banks. Mr. Kaufmann noted that share prices had partially recovered since the beginning of the year and that selling pressure had eased. He added that "1988 may not turn out as

Save 40%

or more off your newsstand price when you subscribe for 12 months to the International Herald Tribune.

The longer you subscribe the more you save.

Country/Currency	12 months + 52 ISSUES	% SAVINGS	6 months + 26 ISSUES	% SAVINGS	3 months + 13 ISSUES	% SAVINGS
Austria A.Sch.	4,900	39	2,700	33	1,500	25
Belgium B.Fr.	11,500	37	6,300	31	3,400	25
Denmark D.Kr.	2,700	33	1,500	25	830	17
Finland F.M.	1,830	41	1,000	35	550	29
France F.F.	1,600	37	880	31	480	25
Germany* D.M.	600	39	330	33	182	26
Gr. Britain £	135	38	74	32	41	25
Greece Dr.	25,000	47	14,000	41	7,700	35
Ireland £Ir.	155	43	85	38	47	31
Italy Lire	400,000	39	220,000	33	121,000	26
Luxembourg L.Fr.	11,500	37	6,300	31	3,400	25
Netherlands Fl.	660	40	365	33	200	27
Norway (air) N.Kr.	2,000	39	1,100	33	600	27
— (hd. del.) N.Kr.	2,500	24	1,400	15	700	15
Portugal Esc.	26,000	51	14,300	46	7,900	40
Spain (air) Ptas.	31,000	41	17,000	36	9,400	29
— (hd. del.) Ptas.	45,240	—	22,620	—	11,310	—
Sweden (air) S.Kr.	2,000	39	1,100	33	600	27
— (hd. del.) S.Kr.	2,500	24	1,400	15	700	15
Switzerland S.Fr.	510	44	280	38	154	32
Rest of Europe, N. Africa, former Fr. Africa, Middle East \$	470	Varies by country	260	Varies by country	145	Varies by country
Rest of Africa, Gulf States, Asia *	620	Varies by country	340	Varies by country	190	Varies by country

*In Germany, hand delivery is available in major cities on publication date. For details, please check here and fill in your address below.

**At these rates, you can get early morning hand delivery in the following cities: Oslo, Stavanger, Stockholm, Göteborg and Malmö. Offer valid through December 31, 1988 for new subscribers only.

INTERNATIONAL Herald Tribune

To: Subscription Manager, International Herald Tribune, 181, Ave. Charles-de-Gaulle, 92521 Neuilly Cedex, France. Tel.: (1) 46 37 93 61. Tx.: 612832. Please check the subscription term you desire:

52 extra issues with a 12-month subscription (364 issues in all.)
 26 extra issues with a 6-month subscription (182 issues in all.)
 13 extra issues with a 3-month subscription (91 issues in all.)
 My check is enclosed.
 Please charge to my credit card account:
 Access Amex Diners Visa Eurocard MasterCard

Card account number _____
 Card expiry date _____
 Name _____ Signature _____
 Address _____ Tel./Telex _____
 City _____ Country _____

GUARANTEE
 The International Herald Tribune stands behind its long history of excellence. We'll refund your money on all unserved issues in your subscription if you're not completely satisfied.

QUICK SERVICE:
 Delivery will begin within seven days of receipt of your order.

BE A WINNER!

- Play Lotto 6/49—Canada's Favorite Government Lottery
- Pick your own "Lucky Numbers" when you play
- Record prize of \$13,890,588.80—all CASH—TAX FREE!*

NOW YOU CAN WIN BIG
 For years Canadians have been striking it rich in Lotto 6/49—Canada's most popular lottery. In fact, last year Lotto 6/49 paid out over \$500 million dollars in prizes! Almost every week new millionaires are being made by playing this fantastic game. The jackpots (1st prize) regularly surpass \$10,000,000 per draw and have gone as high as \$13,890,588. That record prize was won by Lillian and Stewart Kelly, pictured below, and still stands as one of the world's largest all-cash lottery prizes every awarded.

Now, thanks to Canadian Overseas Marketing's unique subscription service, you too have the chance to win a multi-million dollar prize.

MULTI-MILLION DOLLAR PRIZES
 Here are some examples of the fantastic jackpots being awarded by Lotto 6/49:
 Lillian and Stewart Kelly —\$13,890,588.80
 Mohamed and Nurah Samji —\$11,066,864.20
 Ron and Val Taylor —\$10,372,326.70
 Jean Viau —\$10,191,804.60
 Carrie and Derek Stockley —\$ 7,789,787.60
 Doug and Loraine Clark —\$ 7,059,893.70

And that's just for first prize...there are many \$Millions more paid out in subsidiary prizes. With five prize categories in all and thousands of prizes won in every draw, it's as if you can't miss!

GOVERNMENT GUARANTEED LOTTERY
 Lotto 6/49 is an official lottery operated by the ten Provincial Governments of Canada. It's called Lotto 6/49 because six winning numbers from a total of forty-nine are selected each draw. If the six numbers chosen match the six numbers you are playing, you win the jackpot. In addition to the six regular winning numbers chosen, there's one additional number drawn called the "bonus number". If you have any five of the six regular winning numbers correct plus the bonus number, you win second prize. Any five, four, or three of the regular winning numbers correct wins you third, fourth, or fifth prize respectively.

There's a new draw twice each week (on Wednesday and Saturday), every week of the year. The jackpot is guaranteed to be not less than \$1 million dollars in each draw. And if the jackpot is not won in the current draw, that prize money is carried over and added to the jackpot for the next draw, growing until it's won!

YOU PICK YOUR OWN NUMBERS
 Besides the enormous prizes to be won, the best thing about Lotto 6/49 is that you pick your own numbers. So, instead of just buying a ticket, you really do play this lottery. Many people feel they have certain personal lucky numbers or numbers that have a special significance to them, such as birthdays or anniversaries. Still others look for statistical patterns in the numbers selected. But whatever method you use, you'll find it much more exciting to play the lottery that lets you enter your own numbers.

IT'S EASY TO PLAY
 All you do is complete the attached order form and send it to Canadian Overseas Marketing along with the necessary payment. We will enter your numbers for the specified length of your subscription. You may select from 1 to 6 games for 10, 26, or 52 weeks. Indicate exactly six numbers between 1 and 49 for each game you wish to play. Each game gives you another chance at the grand prize for every draw in which you are entered. You receive a "Confirmation of Entry" by return mail acknowledging your order and

indicating the numbers you have selected as well as the draws in which they are entered.

WHEN YOU WIN
 You will be notified immediately when you win a prize of \$1,000.00 or more. Also, a complete list of all winning numbers will be sent to you after every third draw, along with a statement of your winnings to date. At the expiration of your subscription you will be sent a final statement of your winnings. All prize money will be converted to any currency you wish and confidentially forwarded to you anywhere in the world.

So mail your order today—the next big winner could be you.

ORDER FORM
 Complete one game board below for each game you wish to play. Select exactly six numbers from 1 to 49 on each game board you are playing. Indicate the number of draws you wish to play and send with the necessary payment to the address below.

FREE BONUS INCLUDES 5 DRAWS FREE INCLUDES 4 DRAWS FREE

1 Game	10 WEEKS (50 DRAWS) \$ 45	26 WEEKS (130 DRAWS) \$ 112	52 WEEKS (260 DRAWS) \$ 225
2 Games	\$ 90	\$ 225	\$ 450
3 Games	\$ 135	\$ 337	\$ 675
4 Games	\$ 180	\$ 450	\$ 900
5 Games	\$ 225	\$ 562	\$ 1125
6 Games	\$ 270	\$ 675	\$ 1350

Make cheque or bank draft (in U.S. Funds) payable to Canadian Overseas Marketing and mail to: P.O. Box 48120, Suite 1703, 585 Burrard Street, Vancouver, B.C., Canada V7X 1S4.

NAME _____
 ADDRESS/PO. BOX _____
 CITY _____
 COUNTRY _____
 MASTERCARD VISA AMEX
 BANK DRAFT CHEQUE
 CREDIT CARD: EXPIRY DATE _____

(Valid only where legal. *Not available in some areas of Singapore.)
 SIGNATURE _____ ZP-68

WIN \$MILLIONS LIKE THE COUPLE PICTURED BELOW

PRIZE BREAKDOWN

PRIZES	NO. OF PRIZES	PRIZE VALUE
1ST PRIZE	1	\$13,890,588.80
2ND PRIZE	10	\$442,811.60
3RD PRIZE	718	\$3,704.70
4TH PRIZE	48,977	\$139.30
5TH PRIZE	965,112	\$10.00
TOTAL PRIZES	1,014,726	TOTAL PRIZE VALUE \$27,443,228.10

*All prizes quoted in Canadian dollars. **1st, 2nd, 3rd, and 4th prizes are calculated on a percentage of the total prize pool. Since the prize pool fluctuates from draw to draw, the size of the prizes will vary from the size of the prizes shown above.

Canadian Overseas Marketing
 P.O. Box 48120, Suite 1703,
 585 Burrard Street, Vancouver,
 B.C., Canada V7X 1S4

Canadian Overseas Marketing is a private company. The prices quoted herein include handling and service charges.

Friday's AMEX Closing

Tables include the notewise prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	Low	Stock	Div. Yld. PE	12 Month High	Low	Stock	Div. Yld. PE
134	134	AA	1.2	134	134	AA	1.2
134	134	AA	1.2	134	134	AA	1.2
134	134	AA	1.2	134	134	AA	1.2
134	134	AA	1.2	134	134	AA	1.2
134	134	AA	1.2	134	134	AA	1.2

12 Month High	Low	Stock	Div. Yld. PE	12 Month High	Low	Stock	Div. Yld. PE
134	134	AA	1.2	134	134	AA	1.2
134	134	AA	1.2	134	134	AA	1.2
134	134	AA	1.2	134	134	AA	1.2
134	134	AA	1.2	134	134	AA	1.2
134	134	AA	1.2	134	134	AA	1.2

12 Month High	Low	Stock	Div. Yld. PE	12 Month High	Low	Stock	Div. Yld. PE
134	134	AA	1.2	134	134	AA	1.2
134	134	AA	1.2	134	134	AA	1.2
134	134	AA	1.2	134	134	AA	1.2
134	134	AA	1.2	134	134	AA	1.2
134	134	AA	1.2	134	134	AA	1.2

12 Month High	Low	Stock	Div. Yld. PE	12 Month High	Low	Stock	Div. Yld. PE
134	134	AA	1.2	134	134	AA	1.2
134	134	AA	1.2	134	134	AA	1.2
134	134	AA	1.2	134	134	AA	1.2
134	134	AA	1.2	134	134	AA	1.2
134	134	AA	1.2	134	134	AA	1.2

12 Month High	Low	Stock	Div. Yld. PE	12 Month High	Low	Stock	Div. Yld. PE
134	134	AA	1.2	134	134	AA	1.2
134	134	AA	1.2	134	134	AA	1.2
134	134	AA	1.2	134	134	AA	1.2
134	134	AA	1.2	134	134	AA	1.2
134	134	AA	1.2	134	134	AA	1.2

12 Month High	Low	Stock	Div. Yld. PE	12 Month High	Low	Stock	Div. Yld. PE
134	134	AA	1.2	134	134	AA	1.2
134	134	AA	1.2	134	134	AA	1.2
134	134	AA	1.2	134	134	AA	1.2
134	134	AA	1.2	134	134	AA	1.2
134	134	AA	1.2	134	134	AA	1.2

12 Month High	Low	Stock	Div. Yld. PE	12 Month High	Low	Stock	Div. Yld. PE
134	134	AA	1.2	134	134	AA	1.2
134	134	AA	1.2	134	134	AA	1.2
134	134	AA	1.2	134	134	AA	1.2
134	134	AA	1.2	134	134	AA	1.2
134	134	AA	1.2	134	134	AA	1.2

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 17th June 1988

Net asset value quotations are supplied by the funds listed with the exception of some quotes based on issue price. The margin symbols indicate frequency of quotations supplied: (D) - daily; (W) - weekly; (M) - monthly; (T) - twice weekly; (N) - monthly

Fund Name	Asset Value	Change	Fund Name	Asset Value	Change
ALMAGRO GROUP	100.00	0.00	ALMAGRO GROUP	100.00	0.00
ALMAGRO GROUP	100.00	0.00	ALMAGRO GROUP	100.00	0.00
ALMAGRO GROUP	100.00	0.00	ALMAGRO GROUP	100.00	0.00
ALMAGRO GROUP	100.00	0.00	ALMAGRO GROUP	100.00	0.00
ALMAGRO GROUP	100.00	0.00	ALMAGRO GROUP	100.00	0.00

Floating-Rate Notes

Issuer/Note	Current Yield	Bid	Ask
Alcoa Floating Rate	7.25	100.00	100.00
Alcoa Floating Rate	7.25	100.00	100.00
Alcoa Floating Rate	7.25	100.00	100.00
Alcoa Floating Rate	7.25	100.00	100.00
Alcoa Floating Rate	7.25	100.00	100.00

Deutsche Marks

Issuer/Note	Current Yield	Bid	Ask
Deutsche Bank	7.25	100.00	100.00
Deutsche Bank	7.25	100.00	100.00
Deutsche Bank	7.25	100.00	100.00
Deutsche Bank	7.25	100.00	100.00
Deutsche Bank	7.25	100.00	100.00

Be sure that your fund is listed in this space daily. Telex Matthew GREENE at 613535F for further information.

Handwritten scribble: 10/10/88

CURRENCY MARKETS

Dollar Ends Mixed After Rally Fades

NEW YORK — The dollar ended Friday as an early rally faded and the market awaited word of the economic summit meeting...

London Dollar Rates

Table with columns: Currency, Ft., and Dm. Rows include Deutsche mark, Swiss franc, Japanese yen, and French franc.

Mr. Baker said he was seeking a clearer framework for the existing system of flexibly managed exchange rates...

EC Officials Assail U.S. On Farm Aid

PARIS — The European Community's executive body rejected a U.S. call to curtail farm subsidies Friday while the 12-nation bloc's top trade official accused the United States of confrontational tactics...

SUMMIT: Amid Good News, Theme for Toronto Is Don't Rock the Boat

(Continued from page 1)

than restating earlier international commitments to policy coordination and exchange rate stability. Another official said the hope was to add a further positive touch by giving a little nod to the very poorest debtor countries...

ing out that any debt cancellation by Washington would require congressional action, has indicated that it would not be against such moves by other countries. Canada will probably point out that it wrote off all its official African debt last year and urges others to follow suit...

expected to approve the idea in principle, the European countries want to make clear that the indicators should be used only for analytical purposes, not for setting policy guidelines or targets. Mr. Baker supports using gold and commodities prices to help form policy...

such as taxation, deregulation and labor practices. These are attracting increasing international attention as a means of improving overall economic performance. Prime Minister Brian Mulroney of Canada has stressed that the Toronto summit will be the first where the complementarity of macroeconomic and microeconomic policies will be most clearly recognized...

Yetter Off to Tokyo as Beef Talks Improve

WASHINGTON — The U.S. representative, Clayton K. Yetter, indicated Friday that negotiations for a beef trade agreement might be near an ending...

The United States insisted on a halt to the beef quotas, as well as those applying to citrus products, and sought to have the matter resolved under the General Agreement on Tariffs and Trade...

There has been speculation in Congress about the possibility of a multi-year phase-out of quotas accompanied by tariffs. But Mr. Yetter provided no specifics.

RATES: Rattled About Inflation, World Markets Await Summit Meeting

(Continued from first finance page)

country is experiencing big gains in productivity," said Deborah Johnson, a senior economist with Prudential-Bache Securities Inc. in New York. "On interest rates, we believe the Fed will continue to follow the credit markets," Mrs. Johnson said...

What most participants want to highlight instead are changes in macroeconomic or structural policies, such as taxation, deregulation and labor practices. These are attracting increasing international attention as a means of improving overall economic performance.

What most participants want to highlight instead are changes in macroeconomic or structural policies, such as taxation, deregulation and labor practices. These are attracting increasing international attention as a means of improving overall economic performance.

What most participants want to highlight instead are changes in macroeconomic or structural policies, such as taxation, deregulation and labor practices. These are attracting increasing international attention as a means of improving overall economic performance.

Friday's OTC Prices

NASDAQ prices as of 4 p.m. New York time.

Most listed securities are in terms of dollar value.

via The Associated Press

Table with columns: Stock, Div. Yld., High, Low, 4 P.M. CHG. Rows include various stocks like AA, ABC, DEF, GHI, etc.

Table with columns: Stock, Div. Yld., High, Low, 4 P.M. CHG. Rows include various stocks like JKL, MNO, PQR, etc.

Table with columns: Stock, Div. Yld., High, Low, 4 P.M. CHG. Rows include various stocks like STU, VWX, YZA, etc.

Table with columns: Stock, Div. Yld., High, Low, 4 P.M. CHG. Rows include various stocks like ABC, DEF, GHI, etc.

Table with columns: Stock, Div. Yld., High, Low, 4 P.M. CHG. Rows include various stocks like JKL, MNO, PQR, etc.

Table with columns: Stock, Div. Yld., High, Low, 4 P.M. CHG. Rows include various stocks like STU, VWX, YZA, etc.

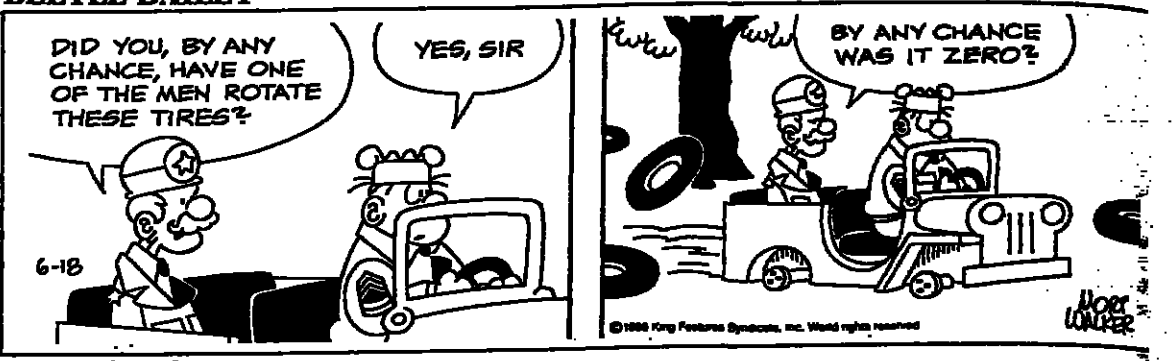
Table with columns: Stock, Div. Yld., High, Low, 4 P.M. CHG. Rows include various stocks like ABC, DEF, GHI, etc.

Table with columns: Stock, Div. Yld., High, Low, 4 P.M. CHG. Rows include various stocks like JKL, MNO, PQR, etc.

Notes: Figures are unofficial. Current highs and lows reflect the previous 52 weeks plus the current week, but not the trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual check dividends based on the latest declaration.

- ACROSS**
- 1 Bellona's brother
 - 5 Ruth St.
 - 10 Org.
 - 15 Synthetic estrogen, for short
 - 18 Parisian possessive
 - 19 Corrode
 - 20 Prefix for dactyl
 - 21 Forwarded
 - 22 Julian's father
 - 24 Alan's father
 - 26 Skylit courts
 - 27 "L'Elisir d'amore" heroine
 - 29 Dismisses
 - 30 Editor's notation
 - 31 Actor Keach
 - 32 Schlep
 - 33 Like some castles
 - 36 Paul, in Pisa
 - 37 Comes ashore
 - 40 Laborers of yore
 - 41 Margaret's father
 - 43 Adlai's opponent
- DOWN**
- 1 Goya subject
 - 2 "Thanks —!"
 - 3 Rhine tributary
 - 4 Ominous
 - 5 Judged
 - 6 Surrealist Max
 - 7 Negative prefix
 - 8 Benedict's last words
 - 9 Sam Houston was one
 - 10 Ansu or ume
 - 11 Hardhearted
 - 12 A grandson of Ham
 - 13 Pitchblende, e.g.
 - 14 Moorish capital

Dad's Day By Nancy Ross



- DOWN**
- 15 Marginal mark
 - 16 Windups
 - 17 Office copy
 - 18 Frugal one
 - 23 Concrete spreaders
 - 25 Coeus or Crius
 - 26 Gless's co-star
 - 31 N.Y.C. site
 - 32 Fiesta Bowl
 - 33 Mohammed's birthplace
 - 34 Ertrugil's son
 - 35 Jamie's father
 - 36 Some are national
 - 37 Twofold

- DOWN**
- 61 Bullock
 - 62 "The Profane Art" author
 - 63 To grow dim, in Dijon
 - 64 Flings
 - 65 Alt's asset
 - 66 Gluts
 - 67 Nomadic barbarian
 - 68 Methods
 - 69 Wedge: Comb. form
 - 74 Salon services
 - 76 Spiral-horned creature
 - 77 Unsettled
 - 78 Shows off
 - 79 Hunter and Richardson
 - 80 Cover, as with mushrooms or onions
 - 81 Potable's potency
 - 82 "Will is the wind's will": Longfellow
 - 85 Anticlock
 - 87 Frangible
 - 88 Like a country gentleman
 - 89 Fast time
 - 90 Citrus coolers
 - 91 Slave gds.
 - 92 Cobart
 - 94 Actress
 - 95 Minot's loc.
 - 96 Ditto
 - 98 Tite holder
 - 100 Maestro de
 - 101 Campus org.

SECRET SERVANT: My Life With the KGB and the Soviet Elite
By Ilya Dzhirkvelov. 398 pages. \$22.50. Harper & Row, Publishers Inc., 10 East 53d Street, New York, N. Y. 10022.

Reviewed by John Gross

ILYA DZHIRKVELOV'S connections with the Soviet security system go back to 1943, when he left school and began working as a volunteer for the state security service in his native Georgia. By the end of World War II he had seen action against German SS units in the Crimea, had taken part in the Soviet roundup of Crimean Tatars for deportation (which upset him, but he was under orders), and had helped to guard the Big Three during their conference at Yalta.

All this by the time he was 18.

After the war he was selected for training at the security service school in Moscow (the KGB school, as he calls it for the sake of convenience in "Secret Servant," although the security service has, in fact, been known as the KGB only since 1954). He was commissioned a lieutenant in 1947 and began a long career working in posts connected with security or propaganda.

Whatever his private reservations about the system, he seemed set to end his days as a Soviet official. But in 1980, while serving in the press department of the World Health Organization in

BOOKS

Geneva, he fell afoul of a group of Russian colleagues. A charge of misconduct (drunken driving, a hit-and-run accident) was trumped up against him, and rather than face dismissal and recall, he decided — moved, as he says, by "purely personal feelings" — to defect to the West. He and his family now live in Britain.

"Secret Servant" is part memoir, part general account of the KGB (though here, too, it draws heavily on first-hand experience).

In his preface, Dzhirkvelov makes it clear that he has never considered himself a dissident and that his decision to defect (or to escape, as he prefers to put it) was made virtually on the spur of the moment. But in the book itself, he comes across as something more than a man with a private grievance. He may not have a quarrel with the Soviet state in principle, but he has any number of hard things to say about the way it works in practice.

He began his intelligence work in the Iranian section of security, helping rescue Iranian Communists who had gone into hiding after an unsuccessful uprising, and arranging the elimination of a double agent in Tehran.

Then it was discovered that his father had been executed for "anti-Soviet activity" in the 1930s (something he hadn't known — his mother had kept

it from him), and he was taken out of the front line and given a job in the archives.

After two years and a course at an advanced party school to complete his political education, he was transferred to the American department, where he came up with a scheme for neutralizing U.S. surveillance of the Soviet Embassy in Washington. It consisted of sowing confusion by having the entire staff emerge onto the streets at the same time and fan out in all directions. It seems to have worked — the first time it was tried, at least.

His next move was to counterintelligence, where he worked with a group covering Near Eastern and Middle Eastern embassies in Moscow, then he did "frontier intelligence" on the Soviet-Turkish frontier, where he had a number of rugged adventures.

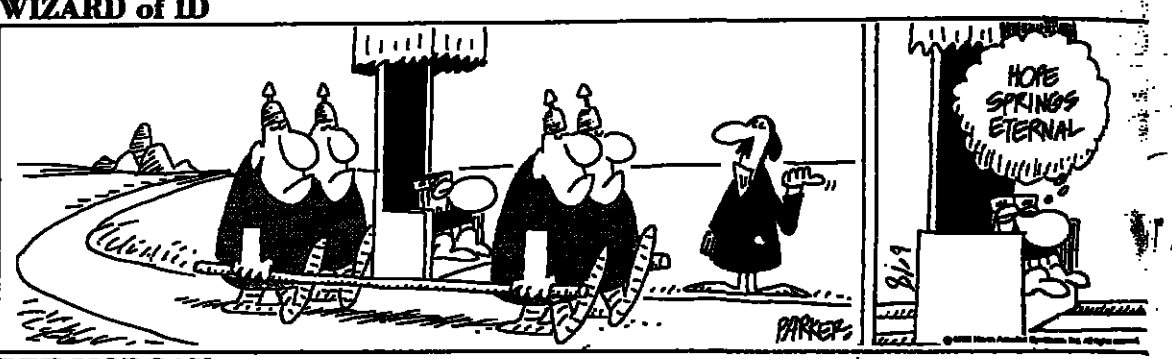
Then, dining one night in a town in the Adzhara Autonomous Republic, he came to the rescue of some female tourists who were being harassed by three local men. The most persistent of the trio was a small man "wearing a filthy jacket and a shirt that was in need of a wash," and Dzhirkvelov finally resolved to teach him a lesson by making him wade into the sea up to his chin. Unfortunately, it turned out that he was the Adzhara minister of education. Dzhirkvelov was sentenced to five days' detention and shortly afterward was dismissed from the KGB on the ground of reduction of staff.

Before long he was back in favor, however — as a "secret employee" of the KGB, whose task was to help organize his country's new Union of Journalists. He was hired by Tass, the Soviet press agency — he has a good deal to say about his KGB connections — and was sent out as a correspondent to Tanzania (where one of his tasks was to discredit the work of the Peace Corps) and the Sudan. It was under the auspices of Tass that he also took up what was to be his last posting, in Geneva.

A faint question mark must hang over almost any book by a former secret agent, but Dzhirkvelov's story, in its very downness, has the ring of authenticity. Its disclosures about the KGB, presented in a plain but always readable manner, are naturally its first claim on our attention, but its incidental glimpses of the upper levels of Soviet society are almost as valuable.

Dzhirkvelov was in a position to watch the Soviet elite at close quarters, and what he describes is, for the most part, a world of cynicism, arrogance and brutal jockeying for power, a world where ordinary people are referred to (in private) as cattle.

John Gross is on the staff of The New York Times.



DENNIS THE MENACE



Solution to Last Week's Puzzle

WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	6	4	11	61	41
Amsterdam	10	8	11	61	41
Athens	16	14	11	61	41
Berlin	16	14	11	61	41
Bombay	28	26	11	61	41
Buenos Aires	24	22	11	61	41
Calcutta	28	26	11	61	41
Cairo	28	26	11	61	41
Colon	28	26	11	61	41
Hankow	28	26	11	61	41
Hong Kong	28	26	11	61	41
Kobe	28	26	11	61	41
London	16	14	11	61	41
Lyons	16	14	11	61	41
Manila	28	26	11	61	41
Medan	28	26	11	61	41
Osaka	28	26	11	61	41
Paris	16	14	11	61	41
Perth	28	26	11	61	41
Port of Spain	28	26	11	61	41
San Francisco	28	26	11	61	41
Singapore	28	26	11	61	41
Sourabaya	28	26	11	61	41
Taipei	28	26	11	61	41
Tokyo	28	26	11	61	41
Yokohama	28	26	11	61	41

World Stock Markets

Via Agence France Presse. Closing prices in local currencies, June 17

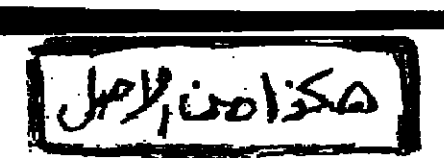
Market	Index	Change
Amsterdam	1,130.20	+1.20
Bombay	1,130.20	+1.20
Buenos Aires	1,130.20	+1.20
Calcutta	1,130.20	+1.20
Cairo	1,130.20	+1.20
Colon	1,130.20	+1.20
Hankow	1,130.20	+1.20
Hong Kong	1,130.20	+1.20
Kobe	1,130.20	+1.20
London	1,130.20	+1.20
Lyons	1,130.20	+1.20
Manila	1,130.20	+1.20
Medan	1,130.20	+1.20
Osaka	1,130.20	+1.20
Paris	1,130.20	+1.20
Perth	1,130.20	+1.20
Port of Spain	1,130.20	+1.20
San Francisco	1,130.20	+1.20
Singapore	1,130.20	+1.20
Sourabaya	1,130.20	+1.20
Taipei	1,130.20	+1.20
Tokyo	1,130.20	+1.20
Yokohama	1,130.20	+1.20

Market Closed

The Frankfurt stock market was closed Friday for a holiday.

Market	Index	Change
Amsterdam	1,130.20	+1.20
Bombay	1,130.20	+1.20
Buenos Aires	1,130.20	+1.20
Calcutta	1,130.20	+1.20
Cairo	1,130.20	+1.20
Colon	1,130.20	+1.20
Hankow	1,130.20	+1.20
Hong Kong	1,130.20	+1.20
Kobe	1,130.20	+1.20
London	1,130.20	+1.20
Lyons	1,130.20	+1.20
Manila	1,130.20	+1.20
Medan	1,130.20	+1.20
Osaka	1,130.20	+1.20
Paris	1,130.20	+1.20
Perth	1,130.20	+1.20
Port of Spain	1,130.20	+1.20
San Francisco	1,130.20	+1.20
Singapore	1,130.20	+1.20
Sourabaya	1,130.20	+1.20
Taipei	1,130.20	+1.20
Tokyo	1,130.20	+1.20
Yokohama	1,130.20	+1.20

SATURDAY'S FORECAST — CHANNEL: Smooth, FRANKFURT: Fair, Temp. 17-22 (72-82), LONDON: Breezy, 17-22 (63-82), MADRID: Breezy, 17-22 (63-82), NEW YORK: Partly Cloudy, 72-82 (21-28), PARIS: Fair, Temp. 17-22 (63-82), ROME: Fair, Temp. 17-22 (63-82), SAN FRANCISCO: Partly Cloudy, 72-82 (21-28), SINGAPORE: Partly Cloudy, 72-82 (21-28), SYDNEY: Partly Cloudy, 72-82 (21-28), TOKYO: Partly Cloudy, 72-82 (21-28).



SPORTS

Lakers Foul Up as Pistons Win, 104-94, And Need 1 Victory for First NBA Title

By Anthony Cotton

Washington Post Service
PONTIAC, Michigan — As the Detroit Pistons filed into the Silverdome for Thursday night's fifth game of the NBA championship series against the Los Angeles Lakers, each player was greeted by thunderous applause...



Adrian Dantley was pained to find himself beleaguered by Lakers before he put three in foul trouble.

NBA FINAL: GAME 5

ple — a playoff record, in the last NBA game to be played in the primary football arena — saw the Pistons take a 3-2 lead in the best-of-seven series with a 104-94 victory. They can win their first NBA title in 32 years Sunday afternoon in the Forum in Inglewood, California. The seventh game, if needed, will be played there Tuesday night.

16 points. Joe Dumars, who had made just 43 percent of his shots and averaged eight points in the series' first four games, got 19. For all the tough pregame talk, the early minutes of the contest were remarkably peaceful as the Lakers took a 15-2 lead. The first good news for the Pistons came at the 7:09 mark of the period, when Los Angeles small forward James Worthy was called for his third personal foul and had to be replaced by Michael Cooper.

But Detroit continued to take advantage of Los Angeles' fouling. Dantley shot another six free throws and his team tied the score at 25 with 1:40 to play. Most of Detroit's first-quarter rally came with Thomas on the bench. He returned for the start of the second period, but another guard, Johnson, carried the Pistons. Having gotten their last basket of the first period, he then scored the first six points in the second.

Dantley drove the lane and scored. On the shot, he was fouled by the Lakers' forward A.C. Green. It was his third personal. The free throw gave the Pistons a 40-37 lead and forced the Lakers' coach, Pat Riley, to go to little-used forward Tony Campbell. Abdul-Jabbar hit a sky hook for the Lakers, but Dumars sank a jumper and Thomas added a lay-up and two free throws to make it 46-39 with 5:44 to play. The Lakers' Johnson was called for an offensive foul on the next possession, which Dantley turned into another two points for Detroit with a jumper.

Germany, Italy Gain Semifinals Soccer

The Associated Press

PONTIAC — Rudi Voller, finding finishing touch when most, scored both goals here Friday as West Germany beat Spain, 2-0, to advance to the semifinals of European Soccer championship.

West Germany finished at the top of Group 1, followed by Italy, which also qualified Friday for the semifinals with a 2-0 victory over Denmark in Cologne. The other semifinal places will be decided Thursday when Ireland plays the Soviet Union in England. Ireland, who had not scored for a national team since September, 1976, in the 29th and 50th minutes of the game, the runner-up since in the 1984 tournament, finished third in the group. Denmark, a semifinalist in 1984, finished last.



Rudi Voller, right, was congratulated by teammates after scoring the first of his two goals against Spain.

area to block. The West Germans failed to convert the free kick. Voller then connected in the 29th minute with a crossed right-foot drive from 16 meters (17 yards) out on a pass from Klausmann from the edge of the penalty area. Zebizic had no chance. In the 58th minute, Martin Venzmer caught the West German goalkeeper, Elke Immel, off guard his cross from the right looped around but ended just wide. Six minutes later Venzmer was in a good position, after Ruedorff broke through on the left crossed to the other side to D. Michel led the ball to Venzmer, but his low shot rolled wide. The first chance for the West came in the 18th minute when Ruedorff failed to control a cross from Andreas Brehme. Moments later Emilio Butragueno was just a mark as he tried to find space in front of the West German goal.

At the 22nd minute, Lothar Matthaus put Jürgen Klinsmann and Spanish goalie Andoni Zubizarreta had to come out of the area to block. The West Germans failed to convert the free kick. Voller then connected in the 29th minute with a crossed right-foot drive from 16 meters (17 yards) out on a pass from Klausmann from the edge of the penalty area. Zebizic had no chance. In the 58th minute, Martin Venzmer caught the West German goalkeeper, Elke Immel, off guard his cross from the right looped around but ended just wide. Six minutes later Venzmer was in a good position, after Ruedorff broke through on the left crossed to the other side to D. Michel led the ball to Venzmer, but his low shot rolled wide. The first chance for the West came in the 18th minute when Ruedorff failed to control a cross from Andreas Brehme. Moments later Emilio Butragueno was just a mark as he tried to find space in front of the West German goal.

Altobelli, who forced the ball in from close range. Three minutes before the end of the match, De Agostini, who had come on two minutes earlier for Roberto Donadoni, scored the clinching goal. Again Viali was the provider, this time on the right. Altobelli was unable to make contact with his center and the ball ran through to De Agostini who shot home. The Italians were in control for most of the game and little was seen of the Danes, who lost all three of their matches in the tournament, in attack until after Altobelli's goal. Michael Landrup was off target with two long range shots while substitute Klaus Berggren was fouled by a brave save from Walter Zenga.

For Britain, Even Wimbledon's a Muddle

by John Feinstein

Washington Post Service
IDON — For the British, the month when sports life. Debates in the House of Lords are held up so members appear at Royal Ascot, the summer-day celebration of racing.

at Ascot there's been controversy, first because Princess Diana appeared on Thursday in a coat worn by men and then because she was in the feature where she is Wimbledon. I, no doubt, rain on the 18th of the All England Club "open" begins Monday. Beyond that, this is as muddled a day as anyone can remember the men's side, there is no Wimbledon. On the women's side, Martina Navratilova, the six-time champion, isn't the top seed in even confusion about Flash and Seguso, the doubles team, has entered the doubles or the mixed doubles. Cash, the defending men's champion, is only the No. 4 seed.

when it really matters — and the remarkable James Scott Connors. Especially on the grass here, McEnroe is very capable of beating them. Connors, who will be 36 in September, has been written off more often Harold Stassen. If he reaches a quarterfinal against Edberg, it will be a major achievement. The other quarterfinal in that draw would be McEnroe-Wilander, if the seedings held. If Wilander has gotten that far, real Grand Slam talk will begin. "I haven't really thought about it," he said. "I mean, I've won Australia and the French three times each but I've never been close at Wimbledon and only been to the final of the [U.S.] Open once. "I don't think I've approached Wimbledon right in the past, though. The guys who do well are the ones who don't care about all the tradition and the Royal Box and everything. They just go for it. McEnroe, Connors, Becker, Cash; they're all like that. If I can do that I think I'll at least have a chance." Almost everyone has a chance on the men's side it seems. Slobodan Zivonovic may. Henri Leconte, the gifted French left-hander does. If the two most gifted grasscourt players reach the final though, McEnroe will be playing Becker. The women's tournament is not nearly as wide open. In fact, there have been suggestions that the fairer thing to do would be to schedule a four-of-seven series between Navratilova and Steffi Graf. Like Wilander, Graf is halfway to a Grand Slam, having won in Australia and France. Like Wilander, she doesn't want to talk about it.

"Not this year, I don't think I'm ready for it yet," she said Tuesday, which was her 19th birthday. "But I do feel very good about Wimbledon this year. Last year, I didn't expect anything, certainly not reaching the final. This year, I'm a lot more confident." If Graf and Navratilova don't play a rematch of last year's final, it will be a shock. Not only are they clearly the class of the game now, all those who might hope to challenge them are struggling. Pam Shriver, the No. 3 seed, withdrew from the Eastbourne warm-up with a groin pull. Helena Sukova has been fighting her game; Claudia Kohde-Kilsch was injured at Eastbourne; Hana Mandlikova has been hurt or sick for most of the last year and Gabriela Sabatini has not played well since winning the Italian Open. Then there is Christine Marie Evert, who, like her former fiance, Connors, is still a wonder at 33. But, like Connors, she too is nursing a foot injury. Graf has played in five straight Grand Slam finals, winning three. But this is Wimbledon and that means Navratilova is the home team. She has won eight singles titles and one more will break the record she holds with Helen Wills Moody. "People ask me if Steffi being halfway to the Grand Slam will be incentive for me at Wimbledon," she said. "I don't need incentive at Wimbledon. All I want to do is win — for me. I'm 31 now and each championship I win is that much more precious to me because I know the end of my career isn't that far away." If Graf wins here, she will be

heavily favored to complete the Grand Slam at the U.S. Open in September. But that is a long way off. For now, the focus is on Navratilova's quest for the record; on Graf and Wilander; on McEnroe and Becker; on Cash and Lendl and on the mystery of Flach and Seguso. Most know that Ken Flach and Robert Seguso, the U.S. Davis Cup doubles team, are the defending men's doubles champions and top seeds. But when the mixed doubles entry of Flach and Seguso was announced at Tuesday's draw, eyebrows were raised. No need to panic though. Seguso was married last fall to Carling Bassett, who is now Carling Bassett-Seguso. She is partnering Flach. That's fine, just so long as Flach's wife doesn't take tennis and pick Seguso as a mixed doubles partner. How in the world would Wimbledon react to a match between Flach and Seguso and Flach and Seguso? For now, at least, there is enough confusion at Wimbledon — and in England — to put that question off until another day.

Scott Pitches, Davis Bats Astros Past Reds, 7-4

Compiled by Our Staff From Dispatches

CINCINNATI — Glenn Davis, who except for home runs has been in a hitting slump, hit two with a man on each time Thursday night and Mike Scott allowed only five hits before leaving with a leg injury in the eighth inning of the Houston Astros' 7-4 defeat of the Cincinnati Reds.

Scott, who last Sunday missed getting a no-hitter by one out, strained his left hamstring when he slipped coming off the mound after Chris Sabo hit a run-scoring grounder to third. He was to be examined Friday to determine the severity of the injury. He tied Pittsburgh's Bobby Bonilla for the National League lead for runs batted in with 52 by hitting his 14th and 15th homers this season. But he has been batting a slump that has seen him go four for 34, with all four of the hits being home runs. Scott lost his shutout in the sixth, when Ken Griffey doubled with two out and Eric Davis hit his 10th homer, but struck out six to pass teammate Nolan Ryan for the NL lead with 102. The Reds' Davis homered again in the ninth. Braves 9, Dodgers 2 In Atlanta, Ken Oberkell got four hits and drove in three runs to help end a five-game losing streak and trim Los Angeles' lead in the West to one game over the Astros. Royals 9, Athletics 5 In the American League, in Oakland, reserve infielder Brad Wellman got four hits and Pat Tabler drove in four runs to help Kansas City win

BASEBALL ROUNDUP

its sixth straight, and its sixth over the West-leading A's in 10 days, as it moved into second place in the division. Mark Gubicza held the A's to six hits in eight innings for his fourth consecutive triumph. Blue Jays 13, Tigers 5 In Detroit, Mike Flanagan allowed five hits over eight-plus innings and Ernie Whitte went four for five with four RBI for Toronto. Flanagan walked six but struck out seven, while Jack Morris lasted 2 1/2 innings, yielding seven runs. Orioles 8, Red Sox 4 In Baltimore, Cal Ripken and Mickey Tettleton each hit a two-run double against Boston, whose Marty Barrett stole home for his team's first such steal since Tommy Harper did it May 28, 1973, in Kansas City. Angels 3, Texas 0 In Anaheim, California, Kirk McCaskill pitched a three-hitter for his first victory in seven starts and Wally Joyner and Bob Boone singled in runs against Texas. McCaskill, winless since beating Toronto on May 8, struck out a season-high 10. White Sox 3, Brewers 1 In Milwaukee, Jerry Reuss and Bobby Thigpen allowed only seven hits and Chicago ended the Brewers' four-game winning streak with the help of four errors, three by second baseman Juan Castillo. His misplay of Ivan Calderon's double play grounder led to a two-run Chicago rally in the sixth, and at his request he was replaced the next inning. (AP, UPI)

SCOREBOARD

Table with columns for SKETBALL, BASEBALL, and GOLF. Includes Major League Standings and U.S. Open Leaders.

Table with columns for TENNIS Tournaments and TRANSITION. Lists various tennis events and locations.

Table with columns for GOLF U.S. Open Leaders. Lists names and scores of top performers.

Table with columns for GOLF U.S. Open Leaders. Lists names and scores of top performers.

Lyle Ties for Open Lead With Birdie at 18th Hole

By Gordon S. White Jr.

New York Times Service
BROOKLINE, Massachusetts — Just when it seemed that another U.S. Open would have unexpected leaders after 18 holes, Sandy Lyle of Britain rolled in a 15-foot (4.5-meter) birdie putt Thursday on the 18th green to gain a tie for the front spot. That gave Lyle, who won the Masters in April, a three-under-par 68 and tied him with Bob Gilder and Mike Nicolette, as the Country Club's 7,010-yard (6,402-meter) course proved, as expected, to be much easier than other Open obstacle courses of the past. Lyle was not the only favorite to make a strong showing in the opening round. Seve Ballesteros of Spain, a two-time Masters champion, was a stroke back. Scott Simpson, the defending champion, bogeyed the last hole but shot 69 to the Ballesteros, Dick Mast, Paul Azinger and Larry Mize, winner of the 1987 Masters. Curtis Strange, who eagled the par-5 14th hole but bogeyed the last one, was at 70 with Craig Stadler and Lanny Wadkins. Lyle, who won the 1985 British Open at Royal St. George's and is this season's leading money-winner as well as its only three-time winner, birdied the 16th and then the 18th to gain the tie. "I squeezed about as much out of it as I could," he said. "I can't believe I shot 68 playing the way I did. I missed a lot of greens and I missed the fairway about 10 times." Lyle's late tee time put him on the course in the strong, swirling winds that tormented many players, and he finished hours after Gilder and Nicolette posted their scores on the course where Francis Ouimet and Julius Boros won two previous Opens, in 1913 and 1903. Never has a golfer shot below par for four

rounds on the Country Club's layout for an Open. When Boros won in 1963, there were only seven 18-hole rounds below par in the entire tournament. That number was equaled when Lyle holed out on 18, and was surpassed when two more players came in early in the evening with sub-par scores. Ballesteros, 31, had an unusual round, oneputting 11 of the 18 greens, including the last four, where he scratched his way out of two bunkers down the stretch to preserve pars. "I have a very good feeling for this week," he said. "I like the golf course. I'm not really afraid to miss the fairways because even if I miss the fairway I can make pars from the rough. There's a long way to go, but I have a good feeling." Nicolette did a superb job of scrambling to save pars. The 31-year-old Illinois pro one-putted nine times on U.S. Open greens that, with their speed and undulations, are not usually fine-tuned for so many single putts. Simpson, 32, had one of the best opening rounds by a defending champion in recent years, but didn't appear confident. "I still think there'll probably be a new U.S. Open champion," he said. He got safely through the trying stretch of four holes from 10 to 13, although he had to blast out of a greenside bunker and roll in a downhill putt of 15 feet to save par 4 at a downhill hole for the lead at three-under. 13th. That tied him for the lead at three-under. But a chance at birdie after a seven-iron put him five feet off the cup on the par-3 16th hole when he missed the putt. He limped in at 18, a drive into a fairway bunker costing him bogey 5. Strange got the only eagle among the first round's leaders, holing out a 65-yard third shot on the par-5 14th hole from far below the raised green. He could barely see the top of the flagstick. But he also holed out twice from the fairway during the 1984 U.S. Open at Winged

Foot and at the Masters in April got a hole in one on Augusta's 12th hole. Jack Nicklaus struggled to 74 in the wind, as did Greg Norman of Australia. PGA champion Larry Nelson shot 78 after a fat 41 on the back nine. Tom Watson, who won the Open in 1982 and has five British Open titles, was among the leaders at one under par after 12 holes. But, as it has done so often in recent years, his putter suddenly went sour and he finished at 74.



Seve Ballesteros, one shot back, and a cameraman saw his chip on 18 roll to the hole.

POSTCARD

New Tastes, Soviet-Style

By Marian Burros
New York Times Service
THE SETTING was a simple cafe with handpainted medieval scenes on arched walls...

not interested whether people come or not, because they get their salaries anyway," said Valentina Bordodina, who runs the Albena Cafe in Kiev...

COOPERATIVES can be made up of a single individual (private ownership) or acknowledged as such by the state...

From the 45-seat dining room of U Fantanki in Leningrad, swathed in blue and gold brocade, to cafes where paper napkins are cut in quarters and stacked in a glass, nascent capitalists are hard at work.

Cooperative restaurants are attracting a broad spectrum of the population, for unlike their state counterparts, they offer fresh, well-seasoned food, like pelmeni (tiny meat-filled dumplings), hearty soups and classics like chicken sotsivi in a walnut sauce...

While more elaborate places can charge \$35 for a three-course dinner, far more than the average Soviet citizen can afford, satisfying meals of dumplings or meat can be had for \$3 at cafes.

"It is very cozy and very pleasant here," said Enn Ompun, an administrative worker, who with his wife, Eda, and their son, was enjoying a Sunday lunch of roast pork, french fries and cucumbers at Kanlike Cafe in Tallinn...

"In every Estonian," Neeme said, "is born the desire to be master of what you possess. I inherited the desire from my grandfather, who once also had his own big enterprise."

But there remains a downside to the sudden improvements. Jurie Pruckis, chairman of the Sadam Cafe in Tallinn, said the obduracy of local authorities may close his cafe. He cannot get all the supplies he needs.

"Cooperatives have become rivals with the state," he said. "You may read much in the newspapers about support, but what you read is not followed in deed. The bureaucracy is fighting cooperatives."

Directing an Impossible Film

By Elizabeth Ayre
International Herald Tribune

CANNES—She heard the word "impossible" too often last summer. Directing a band of illiterate street kids for a film shot amid the caecophony of Bombay's streets, brown-sugar dens, brothels and railways was too daunting a challenge, everybody said.

But the Indian filmmaker Mira Nair made the film so well that it was crowned with the Camera d'Or at last month's Cannes film festival, an award that honors the best first feature film by a young director.

"Salaam Bombay!" has since been shown at the Paris Cinematheque and will be in the New York Film Festival in October, it opens in Israel in July and in France in August, and has been sold in Switzerland, Denmark, West Germany and Italy.

It is the story of a 10-year-old boy named Krishna who comes to Bombay to earn money and become a champion, a word meaning "one who delivers tea and bread," in the red light district. As a vision of the jarring city life of non-realist shot in resplendent colors.

Exceptionally, no studios or sets were used with Bombay's congested streets, alleys, railways and brothels serving as backdrops. In addition, the cast included only three professional actors, joined by a troupe of ragpickers, street performers, bookies and coolies.

Shafiq Syed, who plays Chaipa, is himself a runaway from southern India who was working as a ragpicker on Grand Road Bridge.

The obstacles to shooting the film were numerous. But the children learned the script by heart. Nair made a deal with the woman running the brothel ("Her business is at night; ours was during the day," she says jokingly). And she gained the crowd's solidarity by casting lookers in the film, although she admits that controlling the 500 to 5,000 people clustered behind the camera during exterior shots was no easy task.

What resulted was an authenticity that helped the children feel more comfortable, since they were immersed in environments paralleling their own.

Nair's desire for realism in the film is rooted in her earlier experience in making documentaries, which have often explored social customs in India.

"India Cabaret" (1983), a short film about strippers in a Bombay nightclub, examined the contradictions of the patriarchal society, which both uses and ostracizes these women.

According to Nair, it was a controversial smash hit in India, successful in Japan, Britain and the United States, but boycotted by New York City's WNET as not "appropriate" viewing. (WNET later picked it up).

"Children of Desired Sex" (1987) studied the dilemma pregnant women often confront in India when amniocentesis reveals that the child they are carrying is female. They either



Mira Nair directs Raghubir Yadav, one of the professional actors, and Shafiq Syed, who plays the main role in "Salaam Bombay," awarded the Camera d'Or in Cannes.

abort, or face oppression as women who bear daughters in a society that puts a premium on being male.

"Salaam Bombay," an Indian-French-British co-production, is about survival in a city where childhood is often a luxury.

"I wanted to use my influence in documentary filmmaking to bring an authenticity to the screen that has rarely been used in Indian film — to use the streets, the textures, the fabric and the colors of the city, and in this situation to use primarily children of the streets playing themselves," Nair said.

"The maps of their faces, the experience that makes them — clearly they are children of a young age, but they are also apes. They are children whose faces reveal the passage that has brought them to the city," she added.

Nair and the scriptwriter, Sooni Taraporevala, spent two months working with children in institutionalized children's homes called chhiller rooms (literally "small change" in Hindi), in prisons, and on the streets. Nineteen children were picked from more than 130 who came together in "workshops" where they improvised stories about their lives.

They worked eight hours a day for six days a week, and were paid daily. Despite the fact that none had watches and many had to travel great distances each day, the children always arrived on time.

"It became obvious that the children, streetwise and tough as they were, had never had any place to go in their lives, and that this new interest in them as human beings was something that was hugely welcome," Nair explained.

"Through theatrical exercises, movement, dance, discussions about their lives and ultimately, improvisations on themes close to them (i.e. family life, running away, violence and cheating), an atmosphere of give and take was created and the children came into their own. Our attitude toward the children was always one of treating them halfway and learning from them."

Nair had been an amateur actress in India before getting a scholarship to Harvard. Finding the local theater uninspiring at the time, she enrolled in a photography course (where she met her husband and co-producer of the film, Mitch Epstein) and eventually stumbled onto filmmaking.

"I discovered film and was inspired by it in America," she said, "because in India we have really no easy tradition available for studying cinema — at least when I was growing up there in the small town of Bhubaneswar in Orissa, a fairly remote eastern state south of Calcutta."

The daughter of a retired civil servant, she attended an Irish Catholic boarding school in Simla, an old British hill station in northern India, and went on to study at Delhi University before going to Harvard.

Despite the stark portrayal of life in Bombay, the Indian government supported the making of the film.

"This film is clearly about life in a hard place," Nair said. "But it is a film which ultimately celebrates the survival of these children rather than simply revealing the depression and misery of their existence — the fact that they find humor and resilience in any situation which ordinarily you or I would consider 'impossible.'"

Fonda Says She's Sorry

Jane Fonda in a television interview has apologized to Vietnam veterans for her 1972 visit to Hanoi, describing her actions as "thoughtless and careless."

The actress said in an interview with Barbara Walters of the ABC television network that she "was trying to help end the killing, but there were times I was thoughtless and careless about it and I'm... very sorry that I hurt them. And I want to apologize to them and to their families."

Some veterans in Waterbury, Connecticut, and Holyoke, Massachusetts, referring to Fonda as "Hanoi Jane," have vocally opposed her planned appearances in those cities in August for the filming of the movie "Union Square."

The veterans staged large protests in Waterbury while the Boards of Aldermen in Holyoke and nearby Chicopee in recent months passed resolutions declaring Fonda unwelcome in the area. The television segment includes a recording of Fonda's broadcast from Hanoi that was uncovered in government archives, marking the first time the broadcast has been played in the United States. In it, Fonda addresses servicemen stationed on aircraft carriers in the Gulf of Tonkin and tells them the bombs they are loading into planes are illegal and that using the bombs "makes one a war criminal."

Soviet pianist Stanislaw Bunin has been granted an extension on his temporary residency permit in West Germany. A spokesman for the Soviet Embassy in Bonn said Bunin had decided to seek political asylum in West Germany, but West German officials said they could not confirm the report. Bunin, in West Germany to give concerts, went to Hamburg to extend his temporary residence permit, although he was not scheduled to perform there. The permit was extended until July 8.

Who would ever have thought it possible to copyright a confession? Jimmy Swaggart, the television evangelist, did and is angry that the Cincinnati Opera is promoting an upcoming production with a radio commercial that uses a snippet of his public admission of sin. He asserts that the confession has been copyrighted. The commercial for the opera "Susannah," which began airing this week, quotes Swag-

gart saying: "I do not plan in a way to whitewash my sin. I have one but myself to blame." He is responding at the time to reports of his meetings with a prostitute in a motel. The remainder of the commercial says: "Last year evangelists have gotten a lot of publicity lately. But if you want to see the most lustful evildoer, all come watch the Reverend Jimmy Swaggart. He is a sinner, but innocent Susannah."

The remains of Bela Bartok were to be returned to Hungary for state burial next month, 43 years after the composer died in New York. The move will be at the wishes of Bartok's twin son, Bela Bartok Jr., 77, a retired radio official, lives in Budapest; ter Bartok, 64, a recording engineer, lives in Florida. Peter Bar said that, in view of the reverence which Hungarians hold his late father, it was inevitable that his remains would be brought home.

With actor Jimmy Stewart's approval, a House committee proved a measure that would create a commission to act against "so-called black-and-white movies," regarding objectionable films as an infringement on the right of other congressional committees. The Appropriations Committee, Feb. 25 to 20, to delete the coloring provision from the billion appropriations bill passed. Stewart, who had long prevented unrestricted coloring of films, expressed delight after saying, "Nobody was sure who was going to win right to the end." Adding color to the and-white movies, he said, is "a terrible practice and something that should be outlawed."

PERSONAL MESSAGES

MAY THE SACRED HEART OF JESUS be adored, glorified, loved and preserved throughout the world, now and forever. Sacred Heart of Jesus, pray for us. Saint Jude, help of the hopeless, pray for us. Saint Joseph, pray for us. Saint Michael, pray for us. Saint Raphael, pray for us. Saint Gabriel, pray for us. Saint Uriel, pray for us. Saint Phanuel, pray for us. Saint Jerahmeel, pray for us. Saint Reginald, pray for us. Saint Marston, pray for us. Saint Edmund, pray for us. Saint Beuno, pray for us. Saint Wenefrid, pray for us. Saint Eborac, pray for us. Saint Wilfrid, pray for us. Saint Chad, pray for us. Saint Peter, pray for us. Saint Paul, pray for us. Saint Andrew, pray for us. Saint John, pray for us. Saint James, pray for us. Saint Thomas, pray for us. Saint Matthew, pray for us. Saint Mark, pray for us. Saint Luke, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us. Saint Luke the Evangelist, pray for us. Saint John the Evangelist, pray for us. Saint Peter the Apostle, pray for us. Saint Paul the Apostle, pray for us. Saint Andrew the Apostle, pray for us. Saint John the Baptist, pray for us. Saint James the Greater, pray for us. Saint Thomas the Apostle, pray for us. Saint Matthew the Apostle, pray for us. Saint Mark the Evangelist, pray for us.